

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
June 23, 2011**

Library Auditorium
7401 E. Civic Circle
Prescott Valley, Arizona 86314

1. CALL TO ORDER

Mayor Skoog called the June 23, 2011 council meeting to order at 5:30 p.m.

2. INVOCATION

Father Dan Vollmer gave the invocation after which he led the audience in the recitation of the Pledge of Allegiance.

3. PLEDGE OF ALLEGIANCE

Mayor Skoog presented Father Vollmer with a Certificate of Appreciation for providing this service to the Town.

4. ROLL CALL

Present: Council Member Tjiema, Mayor Skoog, Council Member Mallory, Vice Mayor Lasker, Council Member Nye, Council Member Schmitt, and Council Member Anderson.

5. PROCLAMATION

a. Parks & Recreation Month

Town Clerk Diane Russell read the proclamation after which it was presented to Parks and Recreation Director Brian Witty and Parks and Recreation Commission member David Manship.

6. LIFESAVING AWARD

Mayor Skoog and Interim Police Chief Fessler recognized and thanked James Gentry and Jake Bassett (Meineke Car Care Center), Sherri Stanley (off-duty nurse) and Al Camacho (CYFD Captain/paramedic) for their heroic action taken at the scene of Mr. Colin MacDiarmid's motorcycle accident on SR 69. He and his motorcycle became engulfed in flames at the time of the collision.

Mr. MacDiarmid's adult sons were in the audience and spoke heartfelt words of thanks to the

individuals who assisted their father in a dire time of need. They also reported that Mr. MacDiarmid is still in a coma and receiving additional treatment for his injuries.

7. COMMENTS/COMMUNICATIONS

Council member Nye thanked the Early Morning Lions club, the Prescott Valley Chamber of Commerce, the Prescott Valley Rotary Club and the citizens who participated in making the Prescott Valley Days events so successful.

8. CONSENT AGENDA

- a. *Approval of Minutes - June 9, 2011*
- b. *Approving listed destruction of records from the Town*
- c. *Approving a new series 6 liquor license application for the Jackass Bar & Grill located at 8156 E. Valley Rd; Louis DeBebain Moore III, applicant*
- d. *Authorizing the Mayor to sign Resolution No. 1748 giving annual authorization to purchase supplies and services from Council*
- e. *Authorizing the Mayor to sign a Radio Site Maintenance Contract with Niles Radio in the amount of \$10,488.00 for Fiscal Year 2011/2012*
- f. *Approving a PVPD budget transfer as per the Fiscal Analysis for fuel and vehicle repairs \$28,000.00*
- g. *Approving renewal of the PVPD Redflex Traffic Systems Agreement*
- h. *Approving the Intergovernmental Agreement with Yavapai County for Unified Emergency Management for FY2011/2012*
- i. *Department Reports*
- j. *Monthly Financial Report*
- k. *Investment Report*
- l. *Approving Accounts Payable for May 31 thru June 12, 2011*

Council Member Nye made the MOTION, seconded by Council Member Mallory, to approve all items listed on the Consent Agenda, by electronic vote. MOTION carried with 7 ayes and 0 nays.

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

a. *Consideration of re-appointing Michelle Tissot and David Manship to the Parks and Recreation Commission to terms with a renewal date of June 30, 2014*

Vice Mayor Lasker and Council member Nye recommend the reappointment of Michelle Tissot and David Manship to their second consecutive term on the Parks and Recreation Commission. Mr. Manship thanked the council for the opportunity to serve and commented that he feels the commission is making tremendous strides with the youth and families in the community. The commission very much supports Brian Witty, Parks and Recreation Director, and look forward to working with him in the future.

Council member Anderson commented that even with the cuts to the operations and maintenance budget, the parks are well maintained.

Vice Mayor Lasker made the MOTION, seconded by Council Member Nye, to re-appoint Michelle Tissot and David Manship to the Parks and Recreation Commission to terms with a renewal date of June 30, 2014, by electronic vote. MOTION carried with 7 ayes and 0 nays.

b. *Consideration of re-appointing Carol Power and Nancy Smith to the Arts and Culture Commission to terms with a renewal date of June 30, 2014*

Vice Mayor Lasker introduced Carol Power and Nancy Smith who currently serve on the Arts and Culture Committee. Council member Nye and Vice Mayor Lasker recommend reappointment of Carol Power to a second consecutive term and Nancy Smith to a third consecutive term, (a third consecutive term requires an exception to the term regulations). The ladies thanked the Council for the privilege of serving the town even in these tough economic times as this forces lots of creativity on the commission's part.

Vice Mayor Lasker made the MOTION, seconded by Council Member Schmitt, to re-appoint Carol Power and Nancy Smith to the Arts and Culture Commission to terms with a renewal date of June 30, 2014, by electronic vote. MOTION carried with 7 ayes and 0 nays.

c. *Consideration of re-appointing Ken Fahlman and Donna Morgan to the Library Board of Trustees to terms with a renewal date of June 30, 2014*

Vice Mayor Lasker and Council member Nye recommend the reappointment of Ken Fahlman and Donna Morgan to second consecutive terms on the Library Board of Trustees. Ken Fahlman was unable to be present this evening. Donna Morgan came forward stating that it is an honor to serve on the Board. She also stated that Ken Fahlman has been instrumental in implementing the security program for the Library.

Vice Mayor Lasker made the MOTION, seconded by Council Member Tjiema, to re-appoint Ken Fahlman and Donna Morgan to the Library Board of Trustees to terms with a

renewal date of June 30, 2014, by electronic vote. MOTION carried with 7 ayes and 0 nays.

d. d. Public Hearing Open Public Hearing Public Hearing - Proposed Expenditure Limitation and Budget for Fiscal Year 2011-12 Close Public Hearing

Mayor Skoog opened the public hearing.

Town Manager Larry Tarkowski commented that this is the culmination of efforts that began in October of 2010 with the direction from the council members indicating the path that they want to see the town take. Staff worked for three months after that to compile proposed budgets. Tarkowski thanked everyone for their efforts toward the process of creating this \$69 million dollar budget which included a three percent operational budget cut. Everyone is providing the same service or more, with less money and resources. Finally, Tarkowski thanked the media for recounting the process for the public to keep them informed. He thanked Kauppi and his staff for crunching the numbers and putting the budget together.

Management Services Director Bill Kauppi showed a brief Powerpoint overview of the \$69,936,196 budget for 2011-2012. A break down of revenues and expenditures 2010-2011 was compared with that proposed for 2011-2012. Revenues are projected at \$52,946,633, an 8 percent decrease over last year, with cash reserves projected at \$13,989,633. The town will continue with a hiring freeze. Revenues by category are running very parallel to last year. Last year the cash reserves were at the \$14,822,060 level. General Fund Expenditures (operating fund) increased from \$24,287,802 up to \$27,304,925 an increase of 12.42 percent due to reimbursement/contributions to developer(s) based on prior agreements and an increase in transfers to the debt service funds to cover MPC bond payments. General Fund Revenues are predicted to increase to \$23,605,483 up from \$22,672,184, a 4.1 percent increase for the new fiscal year. \$3.7 million will be drawn from the cash reserves to balance the budget. Enterprise Funds Expenditures decreased by 7.33 percent. Water/Waste water fund revenues should increase up to \$13,022,411 up from \$11,730,000.

Council member Schmitt questioned how the Parks & Recreation Department budget could be reduced by 36 percent and still maintain the parks and functions? Kauppi responded that the maintenance side of the budget is much the same as it has been in past years, but the capital projects side is down.

Council member Schmitt questioned the purpose of the \$324,000 increase in public works? Kauppi responded that about \$250,000 of that money is related to capital projects for drainage projects which are funded through Yavapai County Flood Control.

Council member Schmitt questioned what the "non departmental funds" are? Kauppi responded that they are contingency monies to cover unexpected expenses.

Council member Schmitt questioned the increase in the Enterprise Fund Expenditures and asked whether those were obligated figures (2010-11 \$1 million vs. 2011-12 \$5 million). Kauppi responded those are recharge projects (some being related to the Big Chino Water Ranch project) will be reallocated to the next year's budget.

Council member Schmitt stated that \$3.7 million of our reserves were used last year. If things remain flat will we be looking at this draw down each year? Kauppi responded that he does not expect the same draw down on funds that we have had this year. He thinks it may be around \$1 million.

Mayor Skoog closed the public hearing as no further comments were forthcoming.

e. e. Consideration of to sign Resolution No. 1750, adopting the Fiscal Year 2011-12 Final Expenditure Limitation and Budget for the Town of Prescott Valley

Council Member Nye made the MOTION, seconded by Vice Mayor Lasker, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1750, adopting the Fiscal Year 2011-12 Final Expenditure Limitation and Budget for the Town of Prescott Valley, by electronic vote. MOTION carried with 7 ayes and 0 nays.

f. f. Consideration of adopting Ordinance No. 760 as an emergency measure annexing 10.5 acres in T.14N., R.1W., Section 15 GSRM - Tank Farm

Planner Joe Scott stated that this proposed annexation (ANX1-001) comprises approximately ten and one-half (10.5) acres lying in Section 15, Township 14 North, Range 1 West, of the Gila & Salt River Meridian, Yavapai County, Arizona. The proposed annexation comprises parcels 103-07-621 and 103-07-621B (the Town "Tank Farm" and former booster site). The property is generally located to the northwest and northeast of the intersection of Prescott East Highway and Antelope Lane. It is currently zoned RCU-2A under Yavapai County jurisdiction. Should the property be annexed, similar zoning of RCU-70 would initially be adopted by the Town.

Council Member Anderson made the MOTION, seconded by Council Member Mallory, to approve the reading Ordinance No. 760 once by title only as an emergency measure then place the same on final passage, by electronic vote. MOTION carried with 7 ayes and 0 nays.

Town Clerk Diane Russell read Ordinance No. 760 by title only.

f. (f2) Consideration of approving the final passage of Ordinance No. 760, an emergency measure

Mayor Skoog asked, "Shall the Ordinance pass? Ordinance No. 760 was unanimously approved.

g. (g) Consideration of authorizing the Mayor to sign Resolution No. 1751 approving FDP11-

002 for the development of the Agua Fria and Mingus Foothills Stake Center, Church of Jesus Christ of Latter Day Saints

Ruth Mayday, Planner, stated this is a request by Colton Taylor of The Church of Jesus Christ of Latter Day Saints to approve a Final Development Plan to place a church building on a parcel of land north of State Route 89A, west of Viewpoint Drive, and south of the extension of Pronghorn Ranch Parkway adjacent to other proposed projects in the area.

The church encompasses a twenty-one thousand and twenty-three (21,023) square foot building on an approximately five (5) acre lot. The facility will be used for worship services and other activities related to the Church.

The site is within the north half of Section 35, T15N R1W which was annexed to the Town by Ordinance No. 331 on September 8, 1994. At the time of annexation, the land was given the zoning classification of RCU-70; it was subsequently rezoned to C2-PAD (Commercial: General Sales and Service) and PM-PAD (Performance Manufacturing, Planned Area Development) by Ordinance No. 639 on October 27, 2005. Zoning of Commercial: General Sales and Service, Planned Area Development (C2 PAD) and Performance Manufacturing, Planned Area Development (PM-PAD) and the Land Use designation of Planned Area Development 3-1 allow for a mix of commercial and residential uses and densities, with supporting services and amenities as set forth in the *General Plan 2020*.

Mr. Colton Taylor, LDS Project Manager, stated they will be responsible for the construction of this project. Mr. Taylor stated that the building will be veneer brick over wood frame with precast sections. Xeriscape landscaping will be installed for water conservation purposes.

Mr. Jim Steverson thanked the town for the help and support they have gotten to put this project together.

Mr. Taylor responded to Council member Schmitt that the general contractor is from Salt Lake City with the subcontractors portion of the project open to local contractors.

Council Member Mallory made the MOTION, seconded by Council Member Nye, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1751 approving FDP11-002, by electronic vote. MOTION carried with 7 ayes and 0 nays.

h. (h) Consideration of authorizing the Mayor to sign Resolution No. 1752 adopting revised Owner Occupied Housing Rehabilitation Guidelines

Ruth Mayday, Planner, stated that this Resolution adopts the new federal and state rules pertaining to Owner Occupied Housing Rehabilitation. Proposed changes to the Housing Rehabilitation Guidelines (HRG's) are as follows:

- 1) New language that will allow for increases in the project limit (\$25,000 for rehabilitation and \$35,000 for mobile home replacement) to accommodate special project needs. Currently, staff must get Town Council approval to increase the project limits for all projects. With this change, the Community Development Director can administratively approve the increases on a case-by-case basis. Any such increase must be approved by ADOH prior to commencement of work.
- 2) Federal guidelines now require that the OOHR program replace existing inefficient appliances and mechanical systems with EnergyStar rated appliances and mechanical systems. Our guidelines presently require energy efficiency upgrades where practical. This change will specify EnergyStar rated substitutions.
- 3) Federal guidelines now require all programs to include a home ownership educational component which includes household budgeting, making timely payments of mortgages and taxes, and consequences of not doing so.
- 4) Inclusion of Community Development staff and reporting structure for the Owner Occupied Housing Rehabilitation program.
- 5) Further clarifies repayment schedule.

Other minor changes have also been made to better clarify the purpose and intent of the program and to clean up language referring to NACOG's previous involvement in the program.

Council Member Tjiema made the MOTION, seconded by Council Member Schmitt, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1752 adopting the 2011 Housing Rehabilitation Guidelines, by electronic vote. MOTION carried with 7 ayes and 0 nays.

Vice Mayor Lasker thanked Com Dev for administering this beneficial program for the community.

i. (i) Consideration of authorizing the Mayor to sign Resolution No. 1753 approving a General Plan 2025 Public Participation Plan

Community Development Director, Richard Parker, thanked Colleen Auer, the principal author of the innovative reimbursement grant project.

Parker continued that the General Plan 2020, ratified by the public, has guided this community for 10 years. Direction from Council and funding make it possible to move forward with an update to the document. With the technology available today, a strong connection to the citizenry – many who have graduated from the Citizens Academy and many people who participated in the first General Plan, the town has many educated people that are encouraged to participate in this updating process. The review and update process will likely be a six month process culminating in December. It will then be passed on to the Planning and Zoning Commission, then Council and ultimately the public for ratification in 2013.

Council Member Nye made the MOTION, seconded by Vice Mayor Lasker, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1753 approving a General Plan 2025 Public Participation Plan, by electronic vote. MOTION carried with 7 ayes and 0 nays.

j. (j) Consideration of approving an Agreement with the Prescott Valley Chamber of Commerce

Deputy Town Manager Ryan Judy stated the Town and the Chamber have been partners for many years in the promotion of Prescott Valley. The current three-year agreement was originally approved on June 26th, 2008. It was amended on June 25, 2009 to reduce Chamber funding by 15% (down to \$114,750) due to the stagnant economy and declining Town revenues. The agreement was again reduced by 10% to a level of \$103,275. However, with the dissolution of the Prescott Area Coalition for Tourism, the Council approved an additional \$10,000 to go to the Chamber to promote tourism, bringing funding in FY 10-11 to \$113,275. As part of this additional \$10,000 funding commitment for tourism promotion, Vice Mayor Lasker obtained a seat on the committee to help direct how these dollars are spent.

Under this proposed new 3-year agreement, the Chamber would continue to use this funding to provide the following business retention and expansion services: (a) maintaining a record of business visits (including name, address, retention and expansion issues identified, proposed course of action, and action taken); (b) maintaining a record of individuals requesting information from the Chamber about starting or expanding a business; (c) maintaining a website to provide ready access to businesses or potential businesses; (d) coordinating business retention and expansion efforts with the Town and the Prescott Valley Economic Development Foundation to attract new commercial and industrial businesses; and (e) providing networking opportunities for local businesses.

Under the proposed agreement, the Chamber would also continue to use the funding to provide the following tourism/community promotion services: (1) developing, publishing, updating, and distributing tourism materials; (2) maintaining a website to contain tourist and relocation information; (3) maintaining a record of all inquiries for tourist and relocation materials; (4) continued sponsorship of "Prescott Valley Days;" (5) continued sponsorship of the "Festival of Lights" and "Valley of Lights;" (6) continued sponsorship of the "Team Up to Clean Up" campaign; and (7) hosting a Business, Health, and Community Showcase and (8) Battle of the Bands. The Chamber is required to report quarterly about progress they make.

Marnie Uhl, chamber of Commerce CEO, introduced the incoming officers of the Chamber Jeri Ann Kooiman, Secretary; Betty Robinson, Director; Steve Racenti, Chairman; Irene Evans, Vice Chairman; Deb Thong, Treasurer and Matt Richard the newest member of the Board.

Council member Anderson stated he hopes the citizenry can appreciate all the efforts that the Chamber of Commerce made for the Prescott Valley Days event adding that it is a long process. It is not an event the town could do by itself.

Council member Schmitt stated in looking at the support data, he is impressed with the metrics and standards included in the document. He suggested council consider celebrating more often than quarterly, at the next council retreat. Council member Nye added that the Chamber members are active members in these events and are thanked for their personal commitment and joyful attitude they have for these events. Vice Mayor Lasker added that the balloonists successfully launched Saturday morning at 5:45 a.m. However, due to windy conditions they could not launch Saturday evening or Sunday morning as planned. The balloonists look forward to returning next year for Prescott Valley Days and perhaps making this a standalone event in the future. The Chamber was thanked by the Prescott Valley Rotary Club for their guidance and assistance in putting the program together.

Council Member Schmitt made the MOTION, seconded by Vice Mayor Lasker, to approve the Agreement with the Prescott Valley Chamber of Commerce, by electronic vote. MOTION carried with 7 ayes and 0 nays.

k. (k) Consideration of approving an Agreement with Black & Veatch pertaining to the Wastewater Treatment Plant modifications

Utility Operations Manager Mark Kieren Black & Veatch Designed the Phase III Wastewater Treatment Plant Expansion, which was constructed under a separate construction contract by Fann Contracting and completed in May of 2007. Subsequently, plant personnel experienced difficulties with the plant not being able to meet its discharge permit requirements as it related to nitrogen. Over the next two years, Black & Veatch, OMI and Town personnel worked together to determine the cause of the problem. Countless hours were spent taking and analyzing samples, evaluating operating conditions, making operational changes and performing stress testing on the plant. This work resulted in a determination that additional anoxic (low oxygen) basin capacity would be needed to allow the plant to properly de-nitrify the wastewater. Operational testing confirmed that the additional anoxic capacity could be obtained by converting some of the aerobic (with oxygen) basins to anoxic basins, and stress testing confirmed that this change would not impact the ability of the treatment plant to meet its permit limits at the full flow hydraulic capacity of 3.75 million gallons per day. Temporary measures have been in place for the last 3.5 years to allow the plant to operate in a manner consistent with all permits.

Permanent modifications, valued at approximately \$40,000 are needed to implement a long-term solution to this issue. Town Staff and Black & Veatch have reached an agreement whereby the modifications will be made by Black & Veatch at no cost to the Town and about ½ of the cost for laboratory analyses previously paid by the Town, will be credited back to the Town by Black & Veatch in the form of in-kind engineering services in the amount of \$41,486.10.

Council member Nye questioned how we will track that process and create accountability? Assistant Town Attorney Colleen Auer referred to Section 5 in the Agreement which states:

“Section 5. In-Kind Services. To compensate the Town for the additional sampling and analysis costs it has already incurred (as described in Recital D above), B&V agrees to waive its final payment of \$11,286.60 under the WWTP Agreement and to provide the \$41,486.10 (at then-current rates) in future engineering design work to the Town (i) at no cost to the Town, (ii) on unrelated Town projects (separate from the Modification Work), (iii) in the time and manner reasonably specified by the Town, (iv) during the period through and including June 30, 2013, and (v) in accordance with the Town’s engineering procurement requirements. Any design work requested by the Town pursuant to this Section 5 that is still in progress on June 30, 2013 shall be timely completed by B&V; otherwise, B&V’s obligations to provide in-kind services under this Section 5 shall end effective July 1, 2013.”

Council member Schmitt said of that \$41,000, how much is going to be in-kind? Mark Kieren responded that all of it will be applied to in-kind services.

Council Member Nye made the MOTION, seconded by Council Member Schmitt, to approve the Agreement with Black & Veatch, by electronic vote. MOTION carried with 7 ayes and 0 nays.

1. (1) Consideration of approving a Contract Amendment number (4) with CH2MHill OMI for Utilities Operations & Maintenance

Mark Kieren introduced and thanked the CH2MHill OMI team members who were present. Kieren continued that the OMI contract fees will remain frozen at last year's level while maintaining the same service level.

Council member Nye stated this has been a fabulous partnership; they have understood our financial crunches and worked with the town to provide the quality of the product and deliver it. Mayor Skoog echoed the comments.

Council Member Tjiema made the MOTION, seconded by Council Member Mallory, to approve the Contract Amendment with CH2MHill OMI for Utilities operations and maintenance, by electronic vote. MOTION carried with 7 ayes and 0 nays.

10. COMMENTS FROM THE PUBLIC

a. Public comment: Nancy Myer commented that she has been in Prescott Valley over 30 years. Mrs. Myer brought to Council’s attention that Planned Parenthood plans to put up a clinic by July 17th at 7742 E. Florentine Road. “From someone that loves this town, I don't think we need an abortion clinic in this good town”.

11. ADJOURNMENT

Council Member Nye made the MOTION, seconded by Council Member Anderson, to approve adjourning the meeting at 7:12 p.m., by electronic vote. MOTION carried with 7 ayes and 0 nays.

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, June 23, 2011.

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

Dated this June 27, 2011

Diane Russell, Town Clerk