

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
December 10, 2015**

Library Auditorium/Council Chambers
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 Anderson, Council Member Grossman, Council Member Mallory, Council Member Marshall, Council Member Nye, and Council Member Whiting.

3. Discussion - Comprehensive Annual Financial Report (CAFR) for the Town of Prescott Valley for FY 2014-2015

Katie Pehl, Town Finance Manager, stated that Heinfeld, Meech and Co. representative Brittney Williams would be presenting an overview of the audit findings and CAFR. Council members also have a copy of the Popular Annual Financial Report which is a condensed version of the CAFR prepared for the citizens. Ms. Williams has not arrived to the meeting as yet but was thought to be in the parking lot.

Town Manager Larry Tarkowski thanked the Finance Department saying a great deal of work goes into producing the budget book and CAFR. The Management Services staff did a great job.

Council member Nye commented that she was stopped by a resident who said they liked the lighting around the complex commenting that it looked a lot like Disneyland. A lot of families and children came to the lighting ceremony on Friday night. It was nice to see the expressions on the children's eyes when all the lights came on.

Mayor asked that we discuss agenda item four as Ms. Williams had not arrived as yet.

4. Discussion - Proposed Maintenance of Sidewalks, Ditches & Unused ROW by Adjacent Owners

Town Attorney Ivan Legler said we talked about this on November 12 with a purpose to confirm things we have been doing in the town for a number of years which is sharing responsibilities of maintenance of areas adjacent to private properties in the public right of way. After discussing the agenda item staff was asked to remove language requiring repair of any adjacent sidewalks to

private property and to add better language for coordination of service groups for assistance of controlling weeds etc. in those areas as a part of the enforcement process. The legislature made some changes that the town has to conform with by limiting the town's ability to lien properties with maintenance issues that have renters rather than owner occupied property. The town is forced to deal with the renter regarding any property maintenance issues. Town Code has been modified to conform to this new statute. The proposed language, for enforcement purposes, is in section 9-04-035(b) which states the policy affords preference for exercising discretion when circumstances of indigence or physical or mental incapacity are involved.

Council member Nye thanked Ivan for listening so diligently to the council members at the November 12 meeting and doing exactly what was asked of him. As a group they all expressed the same concerns. Legler followed through with what was asked of him. She stated that they are able to show their sensitivity to that population (elderly & the physically or mentally challenged) in our community. Vice Mayor Anderson thanked him for his quick response and he appreciates that there are people who can't deal with that themselves so now the change reflects that and shows that the Council understands that. While there are people who are negligent who may damage the sidewalk, he wanted to make sure the town has some recourse in a situation like that. This language still provides the town with the ability to come back to them because of their negligence. The concern he had was if someone plants a small tree a foot away from the sidewalk then as it becomes larger, the sidewalk begins to lift - he feels the property owner does bear some responsibility. He wanted to make sure that the town does not have to pay for repair of the sidewalk.

Town Manager Tarkowski said that would be treated in the same way as if a citizen ran a tractor over the sidewalk and tore it up. That is damage to public property. That issue could be pursued on that same basis.

Legler added that we still have the authority to say "don't plant the tree in public right of way".

Council member Whiting said he has seen in his neighborhood where landscaping is done and they will crack the sidewalk. It is more common now given the increase in construction again.

Legler responded to Whiting that this code is used fairly often having to do with weeds. Legler said Community Development has a brochure that describes that.

Town Manager Tarkowski added that Community Development has a brochure about the care of weeds/property. Public Works has a landscaping brochure which is available to the public pertaining to the front of a person's property line out to the street, using the right materials.

Legler responded to Council member Mallory that the language does not mandate that a prosecutor or code enforcement officer pursue these alternatives, but it does indicate that that is the policy of the town and encourages it to be done. The state statute she asked about limited what the town can do in terms of enforcing certain property maintenance violations. In the past if there was a weed violation on property, if the town had to abate that the town could put a lien on that property. The legislature said if the property is inhabited by a renter the town can no longer put a lien on that property which would impact a property owner. So the town is limited in

putting a lien on that property; if a renter has other property a lien can be put on that property. In the event of a code violation, the town would contact the renter. The town could take them before a hearing officer and impose a fine. The issue is the town can no longer put a lien on that property like the town used to.

Council member Whiting said his HOA is very similar. Obviously you can get more done with the person in the house versus the owner sometimes.

3. Discussion - Comprehensive Annual Financial Report (CAFR) for the Town of Prescott Valley for FY 2014-2015

Brittney Williams, Heinfeld & Meech Co. gave a brief overview of the annual audit, the financial statements and the CAFR. In the report is the independent auditors report saying they reviewed the financial statements and issued an unmodified opinion which is a clean opinion. This means they did not detect any material misstatements. They also perform a single auditing of the federal awards that were spent for the year. This year they audited the home grant and the JAG grant. A risk assessment is done annually on those and they test internal controls over those grants. They tested HURF expenditures and audited the 7 Community Facilities Districts (CFD). For the town financial statements and CFDs, they issued unmodified opinions with no reportable findings in them. This is the best results you can get for those types of audits. Everything looked very clean and good. They reviewed internal controls but do not issue an opinion on those. If they had found any problems or anything wrong they are required to disclose them i.e. improper segregation of duties, not following policies and procedures. One major change this year is that they implemented the GASB 68 as amended by 71 which required all governmental entities to report their portion of the unfunded pension liability. It is a large liability put on the financial statements by ASRS. PSPRS members must be reported too.

Council member Whiting stated that nonprofits go through an audit every year which is an important component of public funds as far as accountability. It is important to note that it is a clean recommendation. That should reflect well in the community as sometimes people do not follow the town's budgeting.

Williams said it is a pleasure to work with the Town of Prescott Valley finance staff noting that this is one of the first CAFRs the company issues every year. That says something with the early reporting deadline of December 31 to actually be the first ones done so early in the year. It is commendable.

5. Discussion - CDBG project prioritization

Deputy Town Manager Ryan Judy said there are two grants the town would like to go after this year. Rural communities in Arizona receive Community Development Block Grant (CDBG) funding every four years (Regional Account) without having to compete with other entities. This year the funding is for \$618,000. The other is for an additional \$300,000 in CDBG State Special Projects (SSP) funding that would be used to improve Lake Valley Drive to include some significant drainage improvements, add another lane, curb and gutter and street lights. That will help with the congestion especially during school hours and also help the drainage issue. The

Regional Account grant will include two projects. Staff recommended improvements to the Boys & Girls Club which is bursting at the seams. CDBG funding would be matched by Streets Development Impact Fee (DIF) funds to complete the project. Staff also proposed a second project of improvements to Bob Edwards Park which staff considers a backup position in case the B&G Club project is considered ineligible.

Council member Nye said we very closely meet the criteria which gives us a much better chance of being awarded the grants. She thanked Ryan for the work he puts into the grant application process. Ryan added that they did a special survey of the B&G Club participants to get their household incomes so we know the project is eligible for the grant.

Council member Grossman said the selected projects are the best we can come up with and much needed. Vice Mayor Anderson is in favor of the selection. Council member Mallory stated she appreciates the work Ryan does which brings things needed by the community. Council member Whiting said the town has had a good relationship with the B&G Club which is more used and needed here than their sister club in Prescott.

Ryan said they surveyed the clientele prior to applying to establish that 59 percent meet the limited income criteria. A second public hearing will be held on January 14, 2016. Both applications are due to the state in April and we will hear back in June, on both grants, if they accept our projects. We would then select an architect to either add onto the B&G Club building or add a separate building. We have 2 years to spend the funds once we receive the grant(s).

Council member Marshall said he is for it. Mayor said the original building was built with CDBG funds in the 1980s. A public hearing will be held on Jan 14 to discuss the projects and potentially pass the appropriate resolutions.

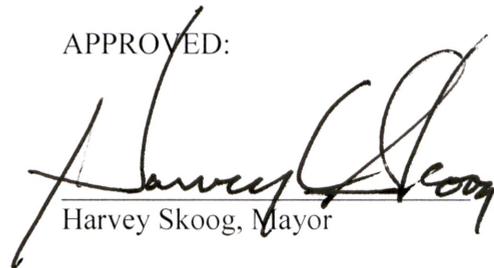
6. Adjournment

Mayor Skoog adjourned the meeting at 5:57 p.m.

ATTEST:


Diane Russell, Town Clerk

APPROVED:


Harvey Skoog, Mayor



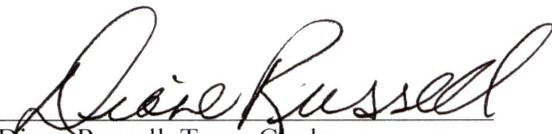
STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

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 Work Study Session of the Town Council of the Town of Prescott Valley, held on Thursday, December 10, 2015.

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

Dated this December 16, 2015


Diane Russell, Town Clerk