

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
February 27, 2014**

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

1. CALL TO ORDER

Mayor Skoog called the meeting to order at 5:30 p.m.

2. INVOCATION - REV. WENDY SWANSON, PRESCOTT VALLEY UNITED METHODIST CHURCH

Reverend Swanson gave the invocation.

3. PLEDGE OF ALLEGIANCE

VFW Commander Nelson led in the recitation of the pledge of allegiance.

4. ROLL CALL

Present: Mayor Skoog, Vice Mayor Nye, Council Member Anderson, Council Member Whiting, Council Member Mallory, Council Member Marshall, and Council Member Grossman.

5. SCHEDULED ANNOUNCEMENTS & PRESENTATIONS

a. Student of the Month

Council member Whiting and Bradshaw Mountain High School Principal Cort Miner recognized Dallas Francis as the faculty's Student of the Month. Mr. Miner commented that Dallas, like many other students, has had some tough times and tribulations over the past few years. Through this she has learned the meaning of commitment and taking responsibility as is obvious by her hard work. Classes she currently takes are earning college credit toward her future goal of earning a nursing degree. She has a 3.6 GPA and is ranked within the top 20 in her class. Dallas thanked everyone and introduced and thanked her family who has always supported her. It means a lot to her to hear her school work has not gone unnoticed. Dallas was presented with a paperweight and certificate as mementos of this day.

b. Yavapai Symphony Guild

Carol Friedman of the Yavapai Symphony Guild announced and distributed VIP tickets to the Council members for the Tuesday, March 4 *Music Memory Concert* starting at 10:00 a.m. at Tim's Toyota Center.

6. PROCLAMATIONS

a. Youth Arts Month

Town Clerk Diane Russell read the proclamation after which it was presented by Mayor Skoog to members of the Arts & Culture Commission Co-chairs Judith Berry and Suzanne Duskey, members Carol Power, Nancy Smith and Frankie Gibson. Art will be displayed throughout the Civic Center this month with a kickoff reception held on Tuesday, March 4th 5:30 to 7:00 on the third floor lobby of the Civic Center. Chamber music and refreshments will be available with awards presented to the winners of the art show that night. Frankie said they enjoy the work they do and encouraged people to join them at their meetings held at 6:30 p.m. every third Wednesday in the library auditorium.

7. CERTIFICATES

a. Certificate of Appreciation to Bruce Handley for 25 years of service

Town Clerk Diane Russell read the accolades about Bruce Handley. Ken Stanton said Bruce is an incredible talent and a valuable, dynamic guy. Alex Romero said he has known Bruce since they were kids. Bruce showed him 'the ropes' when he started with the town in 1993; Bruce is a great friend. Town Manager Larry Tarkowski commented to Bruce that it has been a really "good ride". They have seen a lot of changes over the years in which Bruce has been instrumental.

Council members thanked Bruce for his 25 years of dedicated service to the Town. It is a great accolade to Bruce to have so many of his coworkers present to celebrate with him. He has made a difference for this town starting 25 years ago and has all the knowledge of those years. Mayor Skoog presented Bruce with a check for \$600, a plaque and 25-year pin. Bruce thanked everybody saying it has been a heck of a road! He hopes to keep going. He introduced all his family and friends in attendance.

b. Certificate of Appreciation to Mark Kieren for 10 years of service

Utilities Director Neil Wadsworth said it has been a pleasure working with Mark. Mark was hired to oversee the operations contract with OMI and done a phenomenal job at that. He has had a lot of involvement with other departments with their projects such as the artificial turf project, the draining of Fain Lake, communications tower on Glassford Hill, the recharge project, the design and layout of the new Long Mesa building. Ken Stanton said they have become good friends as well as coworkers on many projects - he is good at everything he does. It has been a

privilege to work with him. Parks & Recreation Manager Jason Elmer presented numerous gag gifts to Mark adding humorous explanations as to the reason for the gifts. Larry Tarkowski said Mark came from the east side of the state which frequently suffered water losses which Mark had to announce on the radio. When he came here, Mark resolved not to have to repeat that. Mayor Skoog said Mark is a part of the great staff we have - the finest in Arizona. Mayor Skoog presented Mark with a plaque and pin. Council thanked Mark for his 10 years of service and agreed how awesome it is to see so many people in attendance from his department. He is an example of an employee who is a class act as is shown with the love and respect shown between the coworkers. Mark thanked everyone followed by the introduction of his son Robert, in attendance, saying that the rest of his family is either out of state or busy. Mark said he appreciates working with all the guys he works with and noted that this is a great place to work.

8. COMMENTS/COMMUNICATIONS

No comments were forthcoming.

9. CONSENT AGENDA

- a. *Approving the February 6 Work Study & February 13, 2014 Council meeting minutes*
- b. *Approving a new Series 10 Liquor License Application for Sprouts Farmers Market (SF Markets LLC) located at 5645 E. State Route 69, Randy Nations, applicant*
- c. *Approving a new Series 10S (sampling) Liquor License Application for Sprouts Farmers Market (SF Markets LLC) located at 5645 E. State Route 69, Randy Nations, applicant*
- d. *Approving a Series 10 Liquor License Application & Interim Permit for Mario's (XHale Convenience LLC) located at 8182 E. Spouse Dr.; Paula Farley, applicant*
- e. *Approving a Special Event Liquor License for the Prescott Valley Chamber of Commerce for the 2014 season events*
- f. *Approving the UVRWPC proposal for application for grants from Western Land Communities, the Coca Cola Foundation, Lowes Foundation and Yavapai Community Foundation for up to \$75,000 in grant funds to support the Coalition's watershed planning effort, and water conservation programs*
- g. *Awarding the purchase of Hot Melt Crack Seal Materials for the Fiscal Year 2013/2014 to Crafcoc Inc., in the total Purchase amount of \$22,079.06*
- h. *Department Reports*
- i. *Monthly Financial Report*

- j. *Council Investment Report*
- k. *Second Quarter Transaction Privilege Tax (TPT) Report*
- l. *Approving Accounts Payable for February 4 thru 18, 2014*

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

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

- a. *Consideration of appointing Nicole Russell to a term expiring September 5, 2015 on the Building Board of Appeals*

Vice Mayor Nye commented that one position on the Building Board of Appeals became open when Richard Leithead resigned at the end of his last term, effective September 5, 2013. Richard Leithead was first appointed to the Building Board of Appeals on January 27, 2005 to a partial term with a renewal date of September 5, 2005 and then reappointed to four (4) more consecutive terms with the last term with a renewal date of September 5, 2013.

Council member Anderson and Mallory interviewed Nicole for the position finding her a qualified, talented person wanting to serve on the Board. They appreciate her commitment to and interest in the community. Nicole said she is looking forward to learning a lot more than she currently knows right now.

Council Member Mallory made the MOTION, seconded by Council Member Anderson, to appoint Nicole Russell to a term expiring September 5, 2015 on the Building Board of Appeals, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- b. *Consideration of appointing Matthew Zurcher to a term expiring October 31, 2015 on the Planning and Zoning Commission*

One position on the Planning and Zoning Commission became open when Charles Musarra resigned effective February 28, 2014. Charles was first appointed to the Planning and Zoning Commission on April 26, 2012 to a partial term with a renewal date of October 31, 2012 and then reappointed to a second term with a term renewal date of October 31, 2015.

Council members stated that Matt is a great contributor and servant to the town. They look forward to having him on the committee and working with him.

Matt said he is looking forward to giving back to the Town of Prescott Valley and serving in another capacity to help the town.

Vice Mayor Nye made the MOTION, seconded by Council Member Anderson, to appoint Matthew Zurcher to a term expiring October 31, 2015 on the Planning and Zoning Commission, by electronic vote. MOTION carried with 7 ayes and 0 nays.

c. Consideration of authorizing the Mayor to sign Resolution No. 1867 opposing the legalization of marijuana for recreation use in Arizona

PV Police Chief Bryan Jarrell proposed Resolution No. 1867 opposing the legalization of marijuana. Many folks in attendance stood and were recognized in support of the resolution. The Marijuana Policy Project is a national organization pushing for the legalization of all marijuana. They organization has indicated that they will be trying to place the issue of recreational marijuana use on the 2016 ballot in Arizona. In an attempt to persuade people that marijuana is not dangerous, this group has made claims and assertions including that marijuana is no more harmful than alcohol.

Alcohol is the number one abused substance in the United States. According to the CDC it was responsible for 25,692 deaths in 2010. According to the Substance Abuse & Mental Health Administration (U.S. Dept. of Health and Human Services) in 2009, 23.5 million people age 12 and older were admitted for treatment for an illicit drug or alcohol abuse problem. Twenty-three percent of them were for alcohol abuse alone. Eighteen percent were for alcohol and one other drug, with marijuana coming in at seventeen percent. Seven and a half percent of those admissions were for children age 12 to 17. The main concern with any drug use is the affect it has on our youth. According to National Institute on Drug Abuse, 72 percent of students have consumed alcohol by the time they graduate, thirty-seven percent by the eighth grade. The U.S.D.H.&HS reports from 2008 to 2009 illicit drug use among youth 12-17 increased from 9.3 percent up to 10 percent after following six full years of a continual decline. Use is now on the upswing. The CDC has concluded that drug and alcohol use increases harmful behaviors such as bullying and risky sexual activity. There is a cost associated with all of this. The National Institute on Drug Abuse estimates that the abuse of tobacco, alcohol and illicit drugs, including marijuana, resulted in \$600 billion in costs associated with crime, lost work productivity and health care. So marijuana is not more harmful than alcohol!?! Jarrell concluded with, in the twelve years of the Viet Nam war, just over 58,000 Americans lost their lives. In the period from 1999 to 2010, 151,648 people were killed on US highways in alcohol related accidents. Of that number, 23,088 were under the age of 21. He requested that the council approve the resolution.

County Attorney Sheila Polk and Co-chair of MATFORCE said the Yavapai County Substance Abuse Coalition was formed in 2006. Vice Mayor Nye has been an active and vital member of MATFORCE. She is part of the reason that MATFORCE was awarded the National Outstanding Substance Abuse Coalition in the USA for 2013. MATFORCE is committed to the elimination of all substance abuse in Yavapai County focusing on all people with a particular focus on our kids. Their goal is to build healthy communities of which drugs are not a part.

Marijuana use is on the rise here and across the nation. Within the last thirty days in Yavapai Count one in four high school seniors used pot and use it regularly. Our kids think marijuana is harmless. It is not harmless; it is an addictive substance. Marijuana is now the leading substance sending people in for treatment of abuse. The kids using pot are getting younger with their first

time use of pot. In 2012, seniors used marijuana more than cigarettes. One in six who start using will become addicted as it is more potent today than in the 90s. Colorado legalized recreational use of marijuana in 2012. Since then there has been a dramatic increase in abuse of marijuana and a corresponding alarming increase in those who are seeking treatment for abuse. Clinics are being inundated with 95 percent being from marijuana use. Colorado has more marijuana dispensaries than liquor stores.

Legalization of marijuana, like alcohol, will not decrease marijuana use. If legalized in AZ 32,000 students would be more likely to try it because of social acceptance and ease of acquiring it. Eleven percent of the kids in Arizona already get their marijuana from health card holders. Marijuana releases inhibitions and causes risky behavior, increased impaired drivers and an increase in traffic fatalities. It has a negative effect on adolescent developing brains, leading to failure in school and resulting in doing poorly in life. Arizona high schools have been inundated with pot use and disciplinary problems since Arizona's legalization for medical use. Young age regular pot use results in a decreased IQ by 7-8 points with a link to earlier onset of mental illness and impaired thinking, memory problems, lack of coordination and decreased alertness and reaction times as well as many employment issues. As community leaders we must raise awareness that marijuana is not harmless by putting forth the facts about marijuana. By passing this resolution we can send a message to the Marijuana Policy Project that we do not want recreational marijuana use in Arizona. We can make Arizona a 'hard target' for the pot proponents. Prescott Valley will be the first council to pass this resolution in the state if council so chooses. She thanked Vice Mayor Nye for all her work with MATFORCE.

Paul Smith, Pharmacy Director with West Yavapai Guidance Clinic, presented the results of use, addiction and recovery from the drug. He said this resolution is all about the kids and we need to be ready for it. Proponents say it is no more harmful than alcohol. Statistics were presented to refute that. Prescott PD Chief Monahan came forward and added that Colorado has regrets about the passage of recreational use in their state and encouraged Arizona to get out in front of it.

Council member Marshall said numerous times he has heard council say the state should stay out of Prescott Valley's business. Prescott Valley telling the state we don't want this is very hypocritical. We should stay out of the state business if we want them to stay out of our business. In 2013, Arizona arrested 15,001 for nonviolent possession of marijuana. Marijuana arrests have cost Arizona taxpayers over \$300 million for detention and prosecution since 1988. People claim that marijuana ruins lives. He agrees. Having a felony charge on your record for the rest of your life is enough to ruin anyone's life. Simple possession resulted in a felony conviction for 85 percent of the arrestees. The cost of criminalization is ridiculous. Youth was mentioned at least 10 times in the resolution. No one is proposing marijuana use for youth. Doing so would be irresponsible. Federal statistics show that over 900,000 kids are employed illegally as drug dealers. These underground organizations are run by Mexican drug cartels and other illegal providers. Legalization of marijuana will take the power away from the cartels and other illegal providers and take away any monetary incentive that kids have to be involved with its distribution. Mexican cartels currently make \$19 - \$29 billion each year off the sale of drugs. Keeping marijuana illegal keeps money in the pockets of these cartels. Parents need to be responsible for their kids, not the government. Constitutionally, the tenth amendment says that the powers not delegated to the United States nor prohibited to the states are reserved to the

states or to the people. This means that since prohibition of marijuana is not currently written into the constitution then the federal government has no right to tell you that it is illegal. Prohibition of alcohol required an amendment to the constitution and that is the reason it was actually illegal. Section 1 of the 14th Amendment to the US Constitution say no state shall make or enforce any law which shall damage the privileges or immunities of citizens of the United States nor shall any state deprive any person from life, liberty or property without due process of the law. The definition of liberty is the state of being free within society from oppressive restriction imposed by authority on ones way of life, behavior or political views. When he was sworn in to the Council, he took an oath to protect the Constitution against all enemies foreign and domestic. He intends to honor that oath until the day he dies. The drug war has been a huge failure and no rational person would argue that. We need to mind our business as a town and concentrate on making Prescott Valley a better place to live and let the state decide on state issues. Fifty-two percent of Arizona supports legalization. It is our responsibility as a Council to respect the views of our citizens. Voting for this resolution will be a slap in the face of every citizen we were sworn to represent.

Council member Mallory said as parents and community leaders we have a responsibility to make sure our community is safe. We have that responsibility. Legalizing marijuana is only going to allow more wrongs to be right. We have to make a stand, do the right thing and support, and make our community safe and protect the children. Council member Anderson said we have to be clear about what this resolution states. Simply, this is about the way we feel about the legalization of marijuana. If the time comes in Arizona to vote about this, they can look back at us and see how our council members voted. Each of us has the opportunity to vote tonight on exactly how we feel – nothing more nothing less. We will be able to take a stand and let the people that we represent in this Town know exactly how we feel about protecting their children. Council member Grossman saw a lot of people addicted to alcohol and drugs and the number of children under the age of 18 who are in AA for recovery support. Peer pressure is tremendous. He is in favor of passing this resolution because he knows what the future holds for the kids. Vice Mayor Nye stated she wanted to make a motion. Mayor Skoog said without regulation we would have utter chaos.

Vice Mayor Nye made the MOTION, seconded by Council Member Whiting, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1867 opposing the legalization of marijuana for recreational use in Arizona, by electronic vote. MOTION carried with 6 ayes and 1 nay. Council Member Marshall voted nay.

d. Consideration of approving the adoption of the Infrastructure Improvements Plan (IIP) and Land Use Assumptions (LUA), set a Public Hearing for the Impact Fee Study on April 3, 2014, and release Notice of Intent to adopt fees

Capital Projects Coordinator Kim Moon explained that DIFs are one-time charges applied to new development (assessed on residences) in order to alleviate its “impact” on current public infrastructure. The intent is to ensure that “growth pays for growth” and that existing residents are not unduly burdened to pay for new capital improvements needed to accommodate growth. Two of the three reports as a result of this process will be discussed this evening.

Over several prior legislative sessions, home builders effectively lobbied for new limits on the ability of cities and towns to collect DIFs. Particularly sweeping changes were adopted by the Legislature through Senate Bill 1525. Among other things, SB 1525 prohibited cities and towns from waiving any fees for non-residential development. It also enacted refund provisions if projects are not completed within a ten (10) year period, established service levels and areas, and limited the types of projects for which DIFs may be assessed at all. DIF studies and rate structures must be updated in accordance with the new requirements by August 1, 2014.

Moon introduced Mr. John Wright, of Raftelis, who said this is the third meeting with Council regarding the steps and actions needed to meet compliance with ARS 9-463.05. The effective date for Development Impact Fees (DIFs) is August 1, 2014. Wright pointed out that a community can choose not to have impact fees by financing infrastructure through other means, and several have taken that option. Both reports discussed this evening were posted to the Town's website on November 22, 2013 and available for review. A notice of a tentative public hearing on April 3 and Notice of Intent to Adopt Development Impact Fees were posted too. These are all steps we must go through under this legislation. The fees are based on the assumptions contained in Prescott Valley's 2025 General Plan (growth rate and density). Wright detailed the proposed figures. The fees are projected with the goal to maintain our level of service proportionate share to growth, not increase service levels. April 3 a Public Hearing is tentatively scheduled to consider the proposed fees prior to the potential adoption of the DIF on May 15 with the objective of having them become effective on August 1, 2014.

Council member Anderson said the lowering of the multi-family units and mobile home fees is way overdue. Council member Whiting added that they are very conservative figures for what we are trying to do, and in the future they can be modified as circumstances permit.

Town Manager Larry Tarkowski explained that DIFs are nothing that you will pay unless you build a new home. DIFs have been paid already by first purchasers of existing homes. New growth will pay for new growth. DIFs are one-time charges applied to new development (assessed on residences) in order to alleviate its "impact" on current public infrastructure. The intent is to ensure that "growth pays for growth" and that existing residents are not unduly burdened to pay for new capital improvements needed to accommodate growth. DIFs have been assessed by the Town of Prescott Valley since adoption of a recreation fee by Resolution No. 624 on April 27, 1995.

Council Member Whiting made the MOTION, seconded by Council Member Grossman, to adopt the attached Infrastructure Improvements Plan (IIP) and Land Use Assumptions (LUA), set a Public Hearing on April 3, 2014 for the Impact Fee Study, and issue a Notice of Intent to adopt fees, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- e. Consideration of approving the purchase of a portable generator based on the Houston-Galveston Area Council (HGAC) quotation in the amount of \$192,382.33 and associated budget transfers as outlined in the Fiscal Analysis

Utility Director Neil Wadsworth said staff is requesting Council approval of the purchase of a portable generator to meet emergency power requirements associated with one well site and two booster stations. The acquisition would be made through cooperative purchasing with the Houston-Galveston Area Council (HGAC). HGAC provides members with the opportunity to procure equipment through nationally leveraged contracts for products and services at the lowest possible price.

The Town held a mock activation of the Emergency Operations Center on February 12, 2013 and one of the primary topics of discussion centered around the need for a generator to energize selected water infrastructure if failure of the power grid occurred. This is one notable hole in our emergency response plan. The well site, Santa Fe, is located approximately one mile from the two booster stations and is a major source of water for the Town. The booster stations, Duplex and Triplex, pump water from the Tank Farm into the Summit and Granite reservoirs, respectively, providing water to the higher pressure zones including StoneRidge, Castle Canyon Mesa and the Highway 69 business areas.

This capital outlay was budgeted per the current fiscal year in the amount of \$80,000. A detailed technical analysis of service load and accessories indicates that an additional \$112,382.33 is required and a transfer of funds from three capital line items is necessary to complete the procurement.

Council members are grateful for this opportunity to plan ahead and protect the community with this necessity.

Council Member Grossman made the MOTION, seconded by Council Member Anderson, to approve the purchase of the portable generator based on HGAC quotation in the amount of \$192,382.33 and associated budget transfers as outlined in the Fiscal Analysis, by electronic vote. MOTION carried with 7 ayes and 0 nays.

11. COMMENTS FROM THE PUBLIC

Commander Nelson of VFW Post 10227 said the Viet Nam Veterans have been wronged. The Legislature failed to pass a bill designating March 29 as a recognition day for the Viet Nam Veterans. He went on to say that 35 states have passed this legislation and asks that Prescott Valley recognize the Viet Nam Veterans every year. He asked council to consider making a proclamation to that effect.

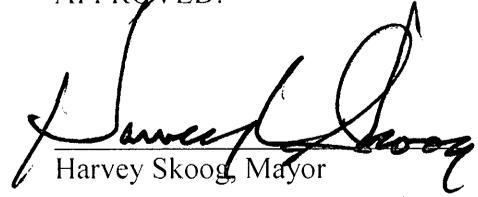
12. ADJOURNMENT

Vice Mayor Nye made the MOTION, seconded by Council Member Mallory, to adjourn the meeting, by electronic vote. MOTION carried with 7 ayes and 0 nays. Mayor Skoog adjourned the meeting at 7:17 p.m.

ATTEST:


Diane Russell, Town Clerk

APPROVED:


Harvey Skoog, Mayor

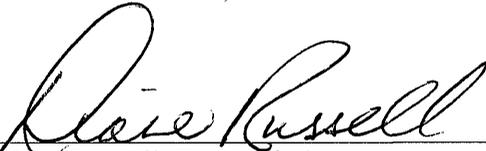
STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

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 Regular Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, February 27, 2014.

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

Dated this March 3, 2014


Diane Russell, Town Clerk

