

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
June 28, 2012**

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

Pastor Kurt Eikenberry of the Faith Baptist Church gave the invocation.

3. PLEDGE OF ALLEGIANCE

Pastor Eikenberry led in the recitation of the Pledge of Allegiance.

4. ROLL CALL

Present: Vice Mayor Tjiema, Mayor Skoog, Council member Mallory, Council member Lasker, Council member Nye, Council member Anderson, and Council member Whiting.

5. PROCLAMATIONS

a. *Parks & Recreation Month*

Town Clerk Diane Russell read the proclamation after which it was presented to Ron Brinklin, Past Chairman of the Parks & Recreation Commission. Mr. Brinklin encouraged everyone to come out and enjoy our parks and recreation facilities. Parks & Recreation Director Brian Witty introduced Incoming Chairman Buzz Gummer and Susan Applegate. Buzz Gummer read a Parks & Recreation poem he authored giving everyone a chuckle. The poem will be preserved as a part of the minutes of this meeting at Council's request.

6. COMMENTS/COMMUNICATIONS

Council member Mallory announced that this Sunday at 9:00 a.m. CYFD will be holding a breakfast at the CYFD training center on east Valley Road with donation proceeds going to the *Prescott Valley Healing Fields of Northern Arizona*. The firemen will be cooking breakfast.

7. CONSENT AGENDA

- a. *Approval of Minutes of May 24 and June 14 Regular Council meeting, June 7 Special Council meeting & Work Study session*
- b. *Approving a new Series 12 Restaurant Liquor License for Guido's Restaurant located at 6226 East State Route 69, Brandy Lee Varacalli, applicant*
- c. *Approving acceptance of a Warranty Deed for property located at 5912 N. Hill Drive - Lot 6703, Prescott Valley Unit 16, donated to the Town of Prescott Valley*
- d. *Accepting a \$5,000 Grant Award from Yavapai Community Foundation on behalf of the Upper Verde River Protection Coalition*
- e. *Approving an Agreement for Right of Entry and Construction Easement (revised) with the Town of Chino Valley and other Upper Verde River Watershed Protection Coalition members*
- f. *Approving the annual authorization to purchase supplies and services from Council*
- g. *Approving the award of the annual contract to the lowest responsive bidder, Patriot Disposal, Inc. per the unit prices bid for Portable Toilets to Patriot Disposal*
- h. *Financial Report*
- i. *Investment Report*
- j. *Approving Accounts Payable for March 13 through March 31, 2012*
- k. *Approving the Law Enforcement Canine Fund Grant Contract # 20130881 accepting the \$5,463.00 grant award*
- l. *Authorizing the Mayor to sign an agreement with Yavapai County Humane Society for animal shelter services in the amount of \$58,500 for FY 2012/13*
- m. *Approving an Intergovernmental Agreement between the Town and HUSD to continue the School Resource Officer program for FY 2012 - 2013*

Council member Whiting 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.

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

a. Consideration of reappointing Franki Gibson to the Arts and Culture Commission to a term with a renewal date of June 30, 2015

Council member Lasker commented that on June 30, 2012, two terms will come up for renewal on the Arts & Culture Commission; Franki Gibson and Sonya Liadis. Franki Gibson submitted the renewal application letter choosing to be reappointed. Sonya Liadis submitted the renewal application letter choosing not to be reappointed. Franki Gibson was appointed to her first term on the Arts and Culture commission in January 2013 to fill a partial term made open by the resignation of Susan Stewart. This re-appointment will be Franki Gibson's 2nd consecutive term. Vice Mayor Tjiema and Council members Whiting and herself are recommending the re-appointment of Franki Gibson to a term with a renewal date of June 30, 2015.

Ms. Gibson said how much she has enjoyed serving on the commission and looks forward to giving continued service.

Council member Whiting made the MOTION, seconded by Council member Lasker, to re-appoint Franki Gibson to the Arts and Culture Commission to a term with a renewal date of June 30, 2015, by electronic vote. MOTION carried with 7 ayes and 0 nays.

b. Consideration of reappointing Karyl Colozze to the Library Board of Trustees to a term with a renewal date of June 30, 2015

Council member Lasker stated that on June 30, 2012, Karyl Colozze will come up for renewal on the Library Board of Trustees. She submitted the renewal application letter choosing to be reappointed. Karyl Colozze was first appointed to a term on the Library Board of Trustees in August 2009, replacing Sally Landes who resigned. This re-appointment will be Karyl Colozze's 2nd consecutive term. Vice Mayor Tjiema and Council members Whiting and she are recommending the re-appointment of Karyl Colozze to a term with a renewal date of June 30, 2015.

Vice Mayor Tjiema made the MOTION, seconded by Council member Mallory, to re-appoint Karyl Colozze to the Library Board of Trustees to a term with a renewal date of June 30, 2015, by electronic vote. MOTION carried with 7 ayes and 0 nays.

c. Consideration of reappointing Renee Ramsey to the Library Board of Trustees to a term with a renewal date of June 30, 2015

Vice Mayor Tjiema stated that on June 30, 2012, Renee Ramsey will come up for renewal on the Library Board of Trustees. She submitted the renewal application letter choosing to be reappointed. Renee Ramsey was first appointed to a term in September 2009, replacing Joanne Storer who resigned. This re-appointment will be Renee Ramsey's 2nd consecutive term. Council members Lasker and Whiting and he are recommending the re-appointment of Renee Ramsey to a term with a renewal date of June 30, 2015.

Ms. Ramsey, an English professor, said she has been delighted to serve on the library board the last three years and looks forward to continued service.

Council member Lasker made the MOTION, seconded by Vice Mayor Tjiema, to re-appoint Renee Ramsey to the Library Board of Trustees to a term with a renewal date of June 30, 2015, by electronic vote. MOTION carried with 7 ayes and 0 nays.

d. Consideration of reappointing Buzz Gummer to the Parks and Recreation Commission to a term with a renewal date of June 30, 2015

Council member Whiting stated that on June 30, 2012 Buzz Gummer's term will come due for renewal on the Parks and Recreation Commission. He submitted the renewal application letter choosing to be reappointed. Buzz Gummer was first appointed to his first term on the Parks and Recreation Commission in November 1996 to replace Paul Muspratt who resigned. This re-appointment will be Buzz Gummer's 7th consecutive term. Vice Mayor Tjiema and Council members Lasker and he are recommending the re-appointment of Buzz Gummer to a term with a renewal date of June 30, 2015.

Council member Nye commented that she appreciates his commitment to serving on the commission through each of his seven terms. Gummer commented that he looks forward to serving another term. He read a poem that he wrote about the parks and recreational opportunities they each offer. At Council's request the poem will become a part of these permanent minutes.

Council member Lasker made the MOTION, seconded by Council member Whiting, to re-appoint Buzz Gummer to the Parks and Recreation Commission to a term with a renewal date of June 30, 2015, by electronic vote. MOTION carried with 7 ayes and 0 nays.

e. Consideration of reappointing Suzanne Applegate to the Parks and Recreation Commission to a term with a renewal date of June 30, 2015

Council member Lasker stated that on June 30, 2012 Suzanne Applegate's term will come due for renewal on the Parks and Recreation Commission. She submitted the renewal application letter choosing to be reappointed. Suzanne Applegate was first appointed to a partial term in June 2010 to replace Elaine Fahlman who resigned. This reappointment will be Suzanne Applegate's 2nd consecutive term. Vice Mayor Tjiema and Council members Whiting and she are recommending the re-appointment of Suzanne Applegate to a term with a renewal date of June 30, 2015.

Ms. Applegate said she has enjoyed working with the Parks and Recreation and looks forward to continued service on the committee.

Vice Mayor Tjiema made the MOTION, seconded by Council member Mallory, to re-appoint Suzanne Applegate to the Parks and Recreation Commission to a term with a renewal date of June 30, 2015, by electronic vote. MOTION carried with 7 ayes and 0 nays.

f. Consideration of reappointing Jan Bear to the Personnel Board as a non-exempt alternate employee member to a term ending May 25, 2014

Vice Mayor Tjiema stated that on April 25, 2012, Jan Bear's term on the Personnel Board as the Non-Exempt Alternate Employee Member came due for renewal. She submitted the renewal application letter choosing to be reappointed. Jan Bear was appointed to her first term as the non-exempt alternate employee member on the Personnel Board in May 2004 and this re-appointment will be her 5th consecutive term. Vice Mayor Tjiema and Councilmember's Lasker and Whiting are recommending the re-appointment of Jan Bear as non-exempt alternate employee member to a term with a renewal date of May 25, 2014.

Council member Mallory made the MOTION, seconded by Council member Whiting, to re-appoint Jan Bear to the Personnel Board as non-exempt alternate employee member to a term ending May 25, 2014, by electronic vote. MOTION carried with 7 ayes and 0 nays.

g. Consideration of reappointing Judy Stanley to the Personnel Board as a non-exempt alternate employee member to a term ending May 25, 2014

Council member Whiting stated that on April 25, 2012, Judy Stanley's term on the Personnel Board as the Non-Exempt Employee Member came due for renewal. She submitted the renewal application letter choosing to be reappointed. Judy Stanley was first appointed as a Personnel Board non-exempt alternate employee member in May 1999, serving in that position until May 2004, when she was then appointed as the non-exempt employee member. This re-appointment will be Judy Stanley's 5th consecutive term in this position. Vice Mayor Tjiema and Councilmember's Lasker and Whiting are recommending the re-appointment of Judy Stanley as non-exempt employee member to a term with a renewal date of May 25, 2014.

Council member Whiting made the MOTION, seconded by Council member Mallory, to re-appoint Judy Stanley to the Personnel Board as non-exempt employee member to a term ending May 25, 2014, by electronic vote. MOTION carried with 7 ayes and 0 nays.

h. Consideration of appointing Michael Flannery to the Personnel Board to a term with a renewal date of April 14, 2014 (added 6/27/12)

Michael Flannery came forward and stated that there is trouble brewing here. In 1996 Council told Buzz Gummer that the town gave a small stipend that the town would hold until he retired. Mr. Gummer is going to expect some kind of payment at the end of all of this. Council member Anderson responded in jest that he was glad to have Mike Flannery back so that he could write the check for Gummer.

Mr. Flannery thanked council for their consideration of appointing him to the Personnel Board. He wanted to make sure that he put his name in for an *active* position that had a lot of activity on it. No better choice than the Personnel Board. Council member Nye commented that the inside joke there is that they don't even know when the last time the Personnel Board last met as it meets infrequently on a 'as needed' basis!

Council member Nye made the MOTION, seconded by Council member Mallory, to appoint Michael Flannery to the Personnel Board to a term with a renewal date of April 14, 2014, by electronic vote. MOTION carried with 7 ayes and 0 nays.

i. Public Hearing Open Public Hearing Community Development Block Grant applications submittal - Loos Drive Close Public Hearing

Mayor Skoog opened the public hearing.

Ryan Judy, Deputy Town Manager, stated that we held this public hearing back in March. However, when NACOG was reviewing one of the applications they noted that one of the postings had only been posted 9 days in advance instead of the required 16 days of the hearing. Rather than take the chance of the application being disqualified, staff opted to reschedule the public hearing.

The Town of Prescott Valley is working with the Northern Arizona Council of Governments (NACOG) to award funding to eligible sources for Community Development Block Grant (CDBG) funds. The Town is expected to receive approximately \$485,858 for this program in the regional account program. The Town may also apply for \$300,000 in State Special Project CDBG funds which are awarded on a competitive basis.

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.

On November 17th, 2011, a public hearing was conducted to solicit input from the public regarding potential projects. During this public hearing the Town proposed one project for the regional account fund, and various non-profit organizations proposed additional projects. Following this meeting, Council met on February 2nd, 2012 to prioritize these projects and directed staff to pursue sidewalk improvements on Loos Drive from Robert Rd to Navajo to service residents/students of the area. Only one project was submitted for the State Special Projects round, additional funding for Loos Drive street/sidewalk/drainage improvements. Construction will begin with the next two weeks.

Resolution No. 1797 authorizes the Town to begin application work for the Loos Drive Sidewalk/Street/Drainage project as part of the regional allocation funding and Resolution No. 1798 authorizes the Town to begin application work on the State Special Project funding, which also includes Loos Drive improvements.

Public Comment:

Russell Morrison commented that he thinks this is a good place for this improvement in the residential neighborhood with the school right there.

No additional comments were forthcoming.

Mayor Skoog closed the public hearing.

- j. Consideration of authorizing the Mayor to sign Resolutions No. 1797 and No. 1798 to authorize the applications of projects for CDBG RA and SSP funding and adopting Resolution No. 1800, the anti-displacement and relocation assistance plan as required by CDBG

Council member Whiting made the MOTION, seconded by Vice Mayor Tjiema, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolutions No. 1797 and 1798 to authorize the applications of projects for CDBG RA and SSP funding and adopting Resolution No. 1800, the anti-displacement and relocation assistance plan as required by CDBG, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- k. Public Hearing Open Public Hearing Proposed Expenditure Limitation and Budget for Fiscal Year 2012-13 Close Public Hearing

Mayor Skoog opened the public hearing.

Town Manager Larry Tarkowski stated this is the last step in the budget process which began back in October with the retreat when Council established their goals and objectives for the new fiscal year. This was followed by an open forum with the public in December and then a second retreat in January at which time staff rolled out plans for the New Year based on the input council had provided. From that the budget was built. Back in early May, Department Heads presented their proposed budgets to the Council. Tarkowski stated that Bill Kauppi and staff have done a great job which will hopefully be capped off with another GFOA award for a well prepared and presented budget.

Council Management Services Director Bill Kauppi gave an overview of the \$66,669,927 budget which is about \$300,000 less than last year's budget. He pointed out that the General Fund holds about 40 percent of the budget and explained the expenditures of each of the five funds (General, Special Revenue, Debt Service, Capital Improvement and Enterprise Funds). There is an approximate .40 percent decrease in expenditures overall in all categories of expenditures. Personnel expenses are going up by 5 percent primarily attributed to the elimination of furlough and the additional positions in the Police Department. Operating expenditures is decreasing by \$1 million due to a one time developer reimbursement that was paid off last year. Capital outlay has gone up due to additional projects being budgeted (grants, the North Plains Recharge Project and the remodeling of the Civic Center). Debt service has gone down due to the pay off of the Phase 1 sewer assessment and the refinance of the street bonds. Transfer went down a little due to a one time expenditure.

Projected revenues are \$51,741,364 which is a decrease by 2.28 percent under FY 2011-2012. He is projecting a 5 percent increase in sales tax over the previous year's budget. He hopes that construction continues at the current rate so we hit next year's projections. State shared revenue has increased due to the population increase reflected by the new census. Kauppi added that \$14,928,563 will be needed from cash balances to balance the budget.

The major expenditure by categories expenditures has been reduced by 2.8 percent under last fiscal year. General fund revenues show a 2.1 percent decrease but that is due to transfers. HURF, Enterprise and General Funds are the main funds. HURF funds shows a 34.1 percent decrease as those moneys are now being shown in a special grant fund. HURF revenues are very conservative. The Enterprise Funds expenditures are expected to increase by 4.0 percent over last year. Enterprise Fund revenues (user fees, connection charges, meter charges & fees, penalties, trust earnings, rental income, water and wastewater funds, cell phone tower, late fees etc.) are expected to be about \$13,961,438 which is very steady one year to the next other than the interest earnings portion.

Public Comment:

Russell Morrison questioned the spending of \$750,000 on chip seal – is it necessary and why? Town Manager Larry Tarkowski responded that it is necessary for maintenance and to protect the road asphalt surface. It is similar to putting wax on your car. It protects the surface and puts a wear surface there. In addition, it provides a friction course especially during inclement weather. The goal is to have a seven or eight year rotation of resurfacing after the crack sealing and pot hole sealing.

Mr. Morrison asked how this related to master planned communities like Granville where he lives. These roads are fine and don't need chip seal. They are low wear without high volumes of traffic or big truck traffic. He stated that it is an unnecessary expenditure in his eyes. He also does not buy the friction statement. He is from back east where snow and ice are common. Never has he heard anyone say, I wish we had more friction on our roads.

Mr. Tarkowski suggested Mr. Morris meet with the Public Works director and him to explain the reasoning.

Mr. Morrison questioned what if the job is done improperly? Last year he called Mr. Tarkowski's office that referred him to the contracting company directly. The company said there is nothing they can do about it. Mr. Morrison stated his street looks like junk!

Again Mr. Tarkowski suggested they take a look at it.

Mayor Skoog stated that this is the issue of budget we are discussing and the Council is unable to discuss a non agenda item, but he does appreciate Morrison's comments.

Mayor Skoog asked Mr. Kauppi to explain the Expenditure Limitation for the benefit of our newest Council member, Whiting. Kauppi stated that every four years we have to elect whether to continue with a self imposed proposed Expenditure Limitation or live by the State's expenditure limitation. Next spring 2013 we will hold that election. Kauppi stated that once Council approves the budget, then it cannot be changed and we cannot spend more than that.

Mayor Skoog closed the public hearing.

1. Consideration of authorizing the Mayor to sign Resolution No. 1794, adopting the Fiscal Year 2012-13 Final Expenditure Limitation and Budget for the Town of Prescott Valley

Council member Nye made the MOTION, seconded by Council member Anderson, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1794, adopting the Fiscal Year 2012-13 Final Expenditure Limitation and Budget for the Town of Prescott Valley, by electronic vote. MOTION carried with 7 ayes and 0 nays.

m. Consideration of awarding the Library - Café / Coffee Bar Concessionaire contract to CakeWorks AZ

Deputy Town Manager Ryan Judy said in November we went through a bidding process to award the library café contract. The concessionaire since asked to be released from the agreement for various reasons. The second runner up bidder was contacted to see if they were still interested in opening the cafe. Arlene Alen, owner of CakeWorks AZ, believes they can make the cafe a success. They hope, with a lot of marketing, to open up and make it a success. She commented it is difficult to find trained retail bakery personnel although they have the capacity to train people and put them to work. She has over 15 years experience in this business in California. They will open as soon as the paperwork and legalities are done. They plan to do a soft opening and then a hard opening.

Mr. Tarkowski explained that the high bid percentage of gross sales is some of the criteria used to select a company. In this case CakeWorks AZ offered 22 percent of gross sales to the town.

Vice Mayor Tjiema made the MOTION, seconded by Council member Nye, to approve award of the Library - Café / Coffee Bar Concessionaire contract to CakeWorks AZ, by electronic vote. MOTION carried with 7 ayes and 0 nays.

9. COMMENTS FROM THE PUBLIC

- a. Russell Morrison first apologized if he came off aggressive initially; he did not mean to. He simply wants to state his opinion on how the town could save some money.

Mr. Morrison commented that his Granville street was chip sealed last year. It is now covered with tire tracks, tar and rock which is not acceptable as it gets tracked into his house. He was told by Grady's last year that there was nothing they could do. He lived on a court and that was the way a court was going to look. The end of his street looks the same way. He showed a picture of his hand picking up a piece of rock with strings of tar hanging from his hand commenting this is not acceptable. He brought a sample of the tar in a bag and passed it along to Council to look at. His neighbor is also concerned about this. He called up the binder who was supposed to be using CRS-2P on the road surface as it is supposed to be harder in the heat and less brittle in the winter. The warmth of his body on the bag of tar in his pocket has made it soft. He is questioning whether they used the appropriate stuff. It is not holding up. His street needs to be redone. His street is ten years old and was perfect before all this. Now it looks ugly with tar all over the place and splatters on the side of the road and rocks strewn everywhere and it decreases his property value. This is the same all over Granville except the Granville Parkway which looks good. He doesn't know what they did differently. Side and residential streets are

horrible. He feels the crack sealing was ineffective. The pictures distributed to the Council were taken today. Morrison would like some representation from the council in getting this company to redo his street and other streets in Granville that need to be redone. He is willing to work with them to get this done.

Timer was extended another 2 minutes at Council member Lasker's request. Mayor Skoog approved the request.

He doesn't believe chip sealing should be there in general. But if it is done right, okay. His street is a problem and he would like Council to help with that. Council member Nye thanked Mr. Morrison for his demeanor, for his thorough research and said she was glad he came here. Chip seal is the best thing for us to use, but it has to have a positive outcome for everyone everywhere. She commented that Town Manager Tarkowski will work closely with him and bring the appropriate people in to address his valid concerns. He has been very articulate and she was impressed with his presentation. Mayor Skoog said Council will follow through with the Town Manager with this and they understand his concern.

Council member Lasker said she found the photo of the child playing in this stuff extremely disturbing. Sometimes we can have a process that works, but sometimes the material can be faulty.

- b. Morris Tuttle has the same problem as do others - it could be faulty materials. But he already called the Town Manager. The Town Manager gave him some excellent advice – if he didn't want black spots all over his rug in his house that he could take his shoes off after he got out of the car before he goes into the house. Then the little black pieces of granules got all over his socks and went in the house. Mr. Tuttle said, "Take the chip that you were not having any problems with and put it in front of your house." He has big problems, owning two homes here, and he is not a nice guy like him [Mr. Morrison]. This really upsets him. He asked, "Do you know what it is like to get down on your hands and knees to use gasoline and thinner to get the black spots out of your carpet? It is ridiculous!" When his renter leaves, because their kids take in all the gravel, and he don't care... That's enough.

Mayor Skoog said if there is something wrong with the product they want to know that.

Council member Mallory said she went out and looked at the neighborhood and met with some of the residents in Granville. The road can be moved with your foot and council needs to look at it.

10. ADJOURNMENT

Council member Whiting made the MOTION, seconded by Council member Lasker, to adjourn, by electronic vote. MOTION passed with 7 ayes and 0 nays.

Adjourned at 6:48 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

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

CERTIFICATE OF COUNCIL MINUTES

I, 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 28, 2012.

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

Dated this June 29, 2012

Diane Russell, Town Clerk