

**TOWN OF PRESCOTT VALLEY  
REGULAR COUNCIL MEETING  
MINUTES  
December 16, 2010**

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 Charlie Hail of the Prescott Valley Nazarene Church gave the invocation.

3. PLEDGE OF ALLEGIANCE

Pastor Hail led the Pledge of Allegiance after which Mayor Skoog presented him with a Certificate of Appreciation.

4. ROLL CALL

Present: Mayor Skoog, Vice Mayor Anderson, Council Member Flannery, Council Member Lasker, Council Member Nye, and Council Member Schumacher.  
Absent: Council Member Wise.

5. SCHEDULED ANNOUNCEMENTS & PRESENTATIONS

a. Student of the Month

Mr. Kip Perry, representing the Prescott Valley Rotary Club, introduced this month's Student of the Month, James Jones. Bradshaw High School Principal Dan Streeter awarded James a certificate and gift. Mr. Streeter commented that James exemplifies everything that Bradshaw High School stands for in his academic and personal life. Jim Clemens, also of the Rotary Club, introduced the Jones family members in attendance.

b. VFW Annual Report, Clyde Kincaid

Mr. Kincaid thanked everyone in the community for their support of all veterans. The VFW post was first started over 39 years ago in this community. He thanked

the Fain family who donated land to the VFW to build the post on and numerous other people and organizations that have assisted the VFW over the past year.

6. COMMENTS/COMMUNICATIONS

Council member Nye reminded everyone that the New Years Eve block party will be held on Main Street beginning at 4:00 p.m. with fireworks beginning at 6:30 p.m. and then thanked the Sundogs for sponsoring this family event.

7. CONSENT AGENDA

- a. *Approval of Minutes - May 7, 2009 (Exec), November 18 & December 2, 2010*
- b. *Approving a new Series 9S Sampling Liquor License Application for the Liquor Barn located at 7655 E. Florentine Rd.; Alfie Ware, owner*
- d. *Approving and adopting the revised Ad-hoc Safety Committee By-laws defining a quorum, providing for an Annual Committee meeting to provide for the election of officers, provisions for calling of special meetings and the basis for cancellation of any regular committee meeting*
- e. *Approving the Council Investment Report*
- f. *Approving the Monthly Financial Report*
- g. *Approving Accounts Payable for November 15 thru December 6, 2010*

Council member Lasker initially declared a Conflict of Interest (as a Rotary Club member) with Item 7c. then recused herself from voting on the Consent Agenda. Discussion ensued resulting in item 7c. being withdrawn from consideration on this vote.

Council Member Flannery made the MOTION, seconded by Council Member Nye, to approve all items remaining on the Consent Agenda after pulling item 7c., for individual consideration, by electronic vote. MOTION carried with 6 ayes and 0 nays.

- 7c. *Approving a Special Event Liquor License for February 26, 2011, Savour The Flavour Fund Raiser Event to be held at the StoneRidge Clubhouse, 1601 North Bluff Top Drive; John Ravnik, applicant for the Rotary Club of Prescott Valley A*

Council member Lasker recused herself from discussion and voting on this item after declaring a Conflict of Interest. Council Member Flannery made the MOTION, seconded by Council Member Schumacher, to approve item 7c. a Special Event Liquor License for February 26, 2011, *Savour The Flavour Fund*

*Raiser Event* to be held at the StoneRidge Clubhouse, 1601 North Bluff Top Drive; John Ravnik, applicant for the Rotary Club of Prescott Valley, by electronic vote. MOTION carried with 5 ayes and 0 nays.

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

a. *Public Hearing Open Public Hearing Community Development Block Grant application through the State Special Projects program Close Public Hearing*

Mayor Skoog opened the Public Hearing.

Deputy Town Manager Ryan Judy stated that the Town of Prescott Valley would like to apply for Fiscal Year 2010 Community Development Block Grant (CDBG) funds through the State Special Projects (SSP) program. Unlike the regional allocation that the Town receives every four years, the SSP program is a competitive annual grant that is open to all non-entitlement entities. Funding is typically capped at \$300,000 and for past applications all design work and environmental analysis must be complete and submitted with the application.

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 slum or blight; or 3) the project must solve an urgent health hazard need.

Judy noted that in the past the funds have been used for senior center, parks, street projects etc. Last year the Town was awarded 2009 CDBG SSP funds to build the Loos Drive Multi-Use Path currently under construction. The town would like council to consider improvements to Loos Drive near the Boys and Girls Club and also Intersection lighting in Unit 5 and surrounding areas south of Mountain Valley Park.

Yvonne Napolitano representing the Adult Day Care Center, serving the community for 28 years, also had a request for funding. The Adult Day Care Center provides services to 150 adults in our area with transportation needs, medical monitoring, nutritious meals, social services and a full activity program. Approximately 85 percent of their clients are below the poverty level and unable to pay for those services. They are asking Council to consider the Adult Day Care Centers need to maintain their building with a paint job inside and out of their building. The estimate cost of those renovations is approximately \$10,200.

Stepping Stones representative Sally stated that Stepping Stones has been providing shelter services, advocacy and education for women and children since 1980. The shelter is available for up to 120 days with occupancy typically at 100 percent. These services are offered at no charge. Limited long-term housing is available for up to two years. Admin offices are located on Windsong Dr. Stepping Stones is requesting funds for three projects in the amount of \$60,000 for all

improvements. Project #1 -\$8,000 to replace all exterior doors and locks. Project #2 - \$12,000 for floors in four transitional housing apartments. Project #3 - \$40,000 for siding on the shelter.

Mayor Skoog closed the Public Hearing as no additional comments were forthcoming.

b. Comments and discussion led by Jack Fowler regarding property tax level

Mr. Jack Fowler commented that HUSD raised the tax level another 36 percent and CYFD by 25 percent and Yavapai College by 19 percent along with other taxing entities. These taxes are having an adverse affect on businesses and the entire community. The tax structure is complex and entities are reluctant to talk about their budgets and how they are set. We were hit with an enormous tax increase - \$6,000 on his business alone this year. Mr. Fowler pointed out that increased expenses in a building results in a decreased value of that building - in his case, a \$66,000 decrease in value including the tax increase. Economic times have made it tough to continue to pay these high taxes. They will continue to support the schools and fire boards to the best of their ability; they just don't have that ability. They need some relief from this added expense. This tax situation presents a negative perception to businesses considering coming here. We need to have the tax level equalized and stabilized to attract businesses here. His understanding is that another tax increase is possible next year. Mr. Fowler likened this to the Gulf oil spill - toxic oil, spreading and washing up on our shores. This needs to be made right as it is in the Gulf oil spill.

Mr. Cliff Branch, building owner of 10 units west of Ace Hardware, faced a \$21,200 tax bill for his two buildings; a \$3,500 increase this year. Rents are down, 30 to 50 percent. We are heading towards a ghost town with all the empty commercial buildings. He needs relief desperately from these taxes. It takes three of his ten units to pay his monthly taxes. It is staggering.

Mayor Skoog stated that the college used to get 50 percent of their funds from the state and now they only get 11 percent from the state. The shortfall comes from us. Mr. Branch commented that he considers it mismanagement of funds. He indicated HUSD's purchase of the building on the highway as a case in point and noted that we are paying for their mismanagement. Mayor Skoog concurred that it was terrible mismanagement. Mayor Skoog added that he hopes that HUSD stops the new aquatic center pool and that CYFD reconsiders before building a new fire station.

Mr. Franz representing Urgent Care Clinic in Prescott Valley stated that they own the vacant land on the east side of Denny's on which they would like to build a bigger clinic. However, when the property prices went down, building costs went up. He agreed that HUSD should consider putting the aquatic center on the back burner until economics improve. Mr. Franz suggested we talk to the boards of these

districts to let them know that the business community is very concerned about declining property values and increased taxes. This climate invites speculators into the area instead of buyers who want to invest and make a commitment to the area.

Mr. Ken Butterman shared his research materials showing that commercial property owners pay three times the tax amount that residential property owners do. His tax on his building went up by \$8,000 this year. Over 60 percent of it went to the Humboldt Unified School District with another 27 percent going to Central Yavapai Fire District. HUSD district assessed values dropped 3.5 percent this year according to information taken from Yavapai County records. Chino Valley assessed values actually went up. The levy in Prescott Unified School District went down \$3.9 million over last year. Chino Valley's went down \$1.1 million. HUSD's levy went up \$3.7 million. In addition, he noted the differences in work in progress and construction, interest on debt owed and school attendance numbers. Mr. Butterman distributed handouts of this information to the Council members.

Council member Flannery commented that he accessed the Yavapai County website to see where the tax monies were going. He did note that a large part of the monies are going to each of the three entities. Flannery added that what he finds troubling is that we have had four years of this economic downturn and cannot think of any government entity that has not made preparations for this downturn. He questioned that three or four years into it, why are these three entities still in a growth mode? We are going to have those tough questions for them.

Mayor Skoog thanked everyone for their comments and hoped we could do something about it. He stated he was glad the town does not have a property tax. Council member Lasker stated that we have been working with the fire district and their actions are counter intuitive to what the council is trying to do – be business friendly. The conversations with the entities will continue. Council member Nye commented that we have all been remiss in not attending those board meetings. That needs to change so that everyone has a voice at the time budgets are being set.

- c. *Consideration of authorizing the Mayor to sign Resolution No. 1731 approving Final Development Plan (FDP 10-009) for the DLR Group for development of the Arizona Agribusiness and Equine Center*

Community Development Planner Ruth Mayday showed slides of the location of the 25,000 square foot proposed Arizona Agribusiness and Equine Center educational facility and the Final Development Plan of it. The facility will be located across Civic Circle from the Civic Center. Mayday showed slides of the South Mountain AAEC facility bordering on E. Baseline Road in Phoenix which the P & Z Commission visited on December 10. A Zoning Map Change application has been filed to change the zoning classification to allow for the animal/vet tech training facility. The underlying Land Use designation of Mixed Use Limited Retail allows for a mix of commercial and residential uses, which supports the proposed use of the site for educational facilities.

Tamara Clark, a principle and architect of DLR Group proposing the facility came forward. Ms. Clark stated that AAEC's goal is to participate in the current education corridor with Yavapai Community College, NAU and Liberty Traditional School as a college prep charter high school. Ms. Clark introduced Dr. Connelly. Dr. Connelly stated that AAEC has been established in the Phoenix area for 14 years. This proposed school will feed into the community college and potentially save Prescott Valley families \$38,000 for 2 years of college expenses. AAEC pays for the tuition for those students giving them an average of 46 transferable community college credits upon graduation and the equivalent of an AA Degree. Their enrollment is capped at 300 students with each student required to provide 120 community service hours prior to graduation. They anticipate building in Prescott Valley will create 23 new jobs for highly skilled educational professionals. AAEC will give priority to local contractors and material suppliers. AAEC will feature sustainable construction and be LEED certified. They will enhance Prescott Valley via community outreach, partnerships, sustainable green technology, and a college prep program with a proven track record of 14 years in Maricopa. They will have other opportunities to create jobs such as in servicing the facility. The employee pool will have a higher level of education attainment, generate additional revenue for exiting businesses by creating new sales, introduce specialized areas of labor trends in bio technology, veterinarian science and homeland security. Some of their students are involved in a three-year DNA sequencing project with the Phoenix Zoo who are now involved at a national and international level with college professors. They offer advanced studies with an electron microscope at a sophomore high school level which is typically not even available until the junior level of college.

Council member Nye added that student funding is available through NACOG.

Linda Proctor Downing, who is the founder and runs AAEC high schools, introduced several AAEC principles. Mayday responded that dark sky lighting will be taken into consideration for this facility. While the rendering shows brick, the building will be coco brown masonry block, not brick. Council member Flannery stated how pleased he is with the product being brought here. This is a well managed organization, financially, with reserves. The plan is to have an August opening in 2011.

Council Member Nye made the MOTION, seconded by Council Member Flannery, to authorize the Mayor (or in his absence, the Vice Mayor) to sign Resolution No. 1731 approving FDP 10-009, AND to sign any agreement under Proposition 207, by electronic vote. MOTION carried with 6 ayes and 0 nays

- d. Consideration of authorizing the Mayor to sign Resolution No. 1732 approving application for \$31,280.05 in Local Transportation Assistance Funds (LTAF II) and providing the required 25 percent in matching funds in the amount of \$7,820.01 in the 2011/2012 budget

Public Works Director Norm Davis was told last year that the LTAF funds had been abolished and will no longer be available. However, they have since been notified that limited LTAF II funds are available in the amount of \$31,000. Adding the town's required 25 percent in matching funds would bring the total to \$39,000 for the year. The funds would be used for transit voucher rides, but only in an amount of about half of what we usually provide for transit vouchers. If Council wishes to provide the transit vouchers, Davis would like to budget the \$39,000 for FY 2011/12 including the 25 percent in matching funds. Davis stated that \$72,000 was applied to transit vouchers last year (including the 25% matching funds).

Council Member Schumacher made the MOTION, seconded by Vice Mayor Anderson, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1732 committing to budget the 25 percent match in order to apply for LTAF II funds from ADOT for the Transit Voucher Program, by electronic vote. MOTION carried with 6 ayes and 0 nays

- e. Consideration of awarding a construction contract to Grady's Quality Excavating, Inc. in an amount of up to \$50,413.00 for the Viewpoint Drive & State Route 89A right turn lane and Pronghorn Lane Project (CIP S329) AND approving an amendment to the Town Engineer Agreement for Dava & Associates in an amount of \$11,390.00 AND approving the necessary budget transfer in the amount of \$18,000.00

Public Works Director Norm Davis stated that this is for award of turn lane projects on Viewpoint Drive north of SR89A. This project is being coordinated with ADOT for the Viewpoint Drive interchange that is currently under construction and will be for the next year. The developer moved forward with, and has completed, his improvements including the extension of Pronghorn Ranch Parkway to the west and a signal at Viewpoint Drive and Pronghorn Ranch Parkway. The town's obligation is to install two right hand turn lanes to move traffic at those intersections.

Davis confirmed for Council members that the SR89A third lane will run from the Viewpoint interchange, actually from Robert Rd., and will continue over to Glassford Hill Rd. Davis commented that they have been cooperating with ADOT regarding the improvements outside of the ADOT frontage road right-of-way improvements. The inconvenience to the public during this construction period should be very minimal.

Council Member Flannery made the MOTION, seconded by Council Member Schumacher, to approve the award of a construction contract to the lowest responsive bidder, Grady's Quality Excavating, Inc., in an amount up to \$50,413.00 for this project, approve the amendment to the Town Engineer Agreement for Dava & Associates in an amount of \$11,390.00, and approve the

necessary budget transfer, by electronic vote. MOTION carried with 6 ayes and 0 nays. (CIP S329)

9. COMMENTS FROM THE PUBLIC

Town Manager Larry Tarkowski wished everyone, on behalf of the staff, a Happy Holidays and Happy and Prosperous New Year.

10. ADJOURNMENT

Council Member Schumacher made the MOTION, seconded by Council Member Nye, to adjourn, by electronic vote. MOTION carried with 6 ayes and 0 nays. Mayor Skoog adjourned the meeting at 7:01 p.m.

ATTEST:

APPROVED:

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Diane Russell, Town Clerk

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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, December 16, 2010.

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

Dated this December 20, 2010

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Diane Russell, Town Clerk