

**MINUTES OF THE
REGULAR MEETING OF THE COMMON
COUNCIL OF THE TOWN OF STAR VALLEY**

**Tuesday, May 7, 2013 @ 6:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

The Agenda for the meeting is as follows:

- CALL TO ORDER
- PRAYER was offered by Minister Jim Barker, of Tonto Village Chapel
- PLEDGE OF ALLEGIANCE
- ROLL CALL:

Vice-Mayor Newland X , Council Member Hartwell X , Council Member Binney X , Council Member Coon X , Council Member Leis X , Council Member Henderson X .

- **DISCUSSION ITEMS:**

1. **Discussion and possible action to determine the method by which a new mayor will be selected for the Town to serve until the next election scheduled to be held in the fall of 2014.**

Town Manager Grier pointed out the Council had received two memos from him on this issue, on memo dated April 22nd and the second one dated April 24th. Mr. Grier stated the suggested procedure he outlined in his memos was just a suggestion, and that it is now the time for the Council to determine the method it will utilize in selecting a new mayor. Mr. Grier stated his position is the Council can select either from the current Council, or select a member of the community at-large. Mr. Grier explained that he had originally suggested a possible conflict of interest might exist if a current council member wished to be considered for the vacant mayor position, but that after further review he believes no conflict exists.

Town Manager Grier informed the Council that he had consulted with two other attorneys, and they both agreed that the Council can select a new mayor either by choosing a current council member, or a resident at-large.

Town Manager Grier instructed the Council that under discussion item 1 it was their responsibility to determine the method by which to select a new mayor, and then discussion item 2 provides for the selection of an individual to fill that position. Mr. Grier pointed out that he had changed his opinion regarding a conflict of interest if a council member wished to be considered for the position of mayor, and that an interested council member did not have to submit a letter of interest. Therefore, he stated, any member of the council could be considered for the mayoral position. Mr. Grier also stated that the only letter of interest received from the community was from Ronnie McDaniel, who was in attendance at the meeting.

Council Member Binney stated he supported picking a new mayor from the public at-large, and believed the most neutral person would be Ronnie McDaniel.

Council Member Coon criticized giving the memo to the newspaper, and stated he believed the memo should have first been presented to the Council for decision on how to proceed. Mr. Coon was

also critical of the change in stance on whether a current council member would or would not be allowed to vote for a replacement for the mayoral position. Again he thought this should have been discussed by the council and a decision reached before the memo was disclosed to the newspaper. Mr. Coon further stated he questions the right of the Council to select a new mayor from the public at-large, based on his interpretation of A.R.S. § 9-232. Mr. Coon expressed concern that the procedure be established correctly for now and for future purposes. Mr. Coon stated his preferred method would be for an interested person to fill the council vacancy and then be brought into the Council, which would establish the requisite seven members of the Council. After that, a member of the council would be selected to be mayor. Mr. Coon stated he was not “really comfortable” with choosing a resident at-large as mayor before they had any experience on the council itself.

Council Member Leis expressed criticism of the length of time the Town Attorney took to provide his legal analysis, as he felt the Arizona Revised Statutes were very clear, and that they stated all of the council had a right to participate in selection of the new mayor. Mr. Leis was also critical of the fact the newspaper received the memo not long after the Council Members did. Mr. Leis also stated his interpretation is that the remaining 6 Council Members would appoint one of them to be the mayor, and thereafter fill the vacant council position. Mr. Leis stated he believed one of the current Council Members would be a good choice to fill the mayoral position, and that this method would be most beneficial to the Council. Mr. Leis stated he has no real desire to run for mayor in 2014, but he would like to be selected to fill the current vacancy for mayor which expires in 15 months.

Council Member Henderson requested Town Attorney Grier give an interpretation of A.R.S. § 9-232. Town Attorney Grier pointed out Council Member Coon had misinterpreted this statute, and pointed out that this statute relates to a newly seated council. Mr. Grier pointed out it is necessary to review the index of the Arizona Revised Statutes which takes one through the progression of time beginning with the incorporation of a town. A.R.S. § 9-232(C) does set forth the qualifications of a council member. However, A.R.S. § 9-235 deals with a vacancy in the office of mayor, and refers to A.R.S. § 9-232 for the qualifications such person must meet. Therefore, Mr. Grier stated he stands by his legal analysis set forth in the memo that the mayoral position may be filled from the council or from residents at-large.

Town Attorney Grier also addressed the issue concerning release of the memos to the newspaper. Mr. Grier stated these memos are public records and the newspaper had a right to obtain copies of these memos and do with them as it pleased.

Council Member Henderson stated she believed it in the best interests of the Town to select the at-large candidate. Ms. Henderson further stated that the mayor does not “do things by himself, it is a council effort.” Ms. Henderson stated she viewed Judge McDaniel “as an asset to this community and this council.”

Council Member Hartwell stated she was in full support of choosing from a resident at-large, and she gave “100%” of her support to Mr. McDaniel. Ms. Hartwell also stated she is in full support of the Town Attorney and respects his knowledge and understanding of the law over anyone else on the Council, and that she is in support of his position. Ms. Hartwell stated she does not believe the mayor should be selected from current council members.

Vice-Mayor Newland stated the current Council is a “good group,” but he would rather bring in someone from outside the Council to fill the mayoral position. Mr. Newland expressed his support for Mr. McDaniel.

Council Member Coon expressed his dissatisfaction with the manner in which the Council was proceeding with selecting a new mayor, and stated he stands by his previous statement that a new member should first be selected as a council member and then later selected as mayor.

Town Manager/Attorney Grier clarified for the Council that agenda item number 1 is the procedure to select a new mayor, and the second agenda item is the selection of a person as mayor. He suggested they Council focus on item number 1, procedure, and then proceed to nomination and selection.

A motion that Council Members, even if they have declared their interest in being a candidate for the mayor position, can debate and vote on the selection of a mayor from the existing Council or a qualified resident at-large was made by Council Member Binney, and was seconded by Council Member Hartwell.

A roll call vote was taken:

Vice-Mayor Newland Yes, Council Member Hartwell Yes, Council Member Binney Yes, Council Member Coon Yes, Council Member Leis Yes, Council Member Henderson Yes.

The motion passed 6-0.

- 2. Discussion and possible action to appoint an individual, either from the current Council or an at-large resident of the Town, to serve as Mayor of the Town until the next election scheduled to be held in the fall of 2014.**

A motion that Judge Ronnie McDaniel be nominated for the position of Mayor of the Town until the next election scheduled to be held in the fall of 2014 was made by Council Member Henderson, and was seconded by Council Member Hartwell.

Council Members Leis, Henderson, Hartwell, Binney and Coon, and Vice-Mayor Newland all expressed their support and confidence in Ronnie O. McDaniel.

An unidentified member of the audience requested that Judge McDaniel introduce himself.

Ronnie O. McDaniel introduced himself and gave a brief personal history.

A roll call vote was taken:

Vice-Mayor Newland Yes, Council Member Hartwell Yes, Council Member Binney Yes, Council Member Coon Yes, Council Member Leis Yes, Council Member Henderson Yes.

The motion passed 6-0.

- SPECIAL CEREMONY**

The Honorable Dorothy Little of the Star Valley Magistrate Court administered the oath of office of Mayor Star Valley to Ronnie O. McDaniel.

- SEATING OF NEW MAYOR**

- 3. First budget presentation for FY 2013/2014. Presentations by Chancy Nutt, Finance Administrator, and Tim Grier, Town Manager.**

Town Manager Grier stated tonight the Council would be looking at the past financial year and also a look at the tentative budget for FY 2013/2014. Mr. Grier stated that last year the Council had decided it wanted a fund reserve of \$2.6 million at the end of FY 2012/2013 on June 30, 2013. The current projection for June 30, 2013 is \$2,616,000.00.

Finance Administrator Nutt stated her projection for June 30, 2013 is the Town's fund reserve will be \$16,000.00 over the determined \$2.6 million. Ms. Nutt stated her analysis was included in the materials provided to the Council Members, and she reviewed her analysis with the Council.

Town Manager Grier stated staff uses the budget as a touchstone to start looking at the next fiscal year and the various projects it anticipates undertaking in the next year, as well as the services the Town will provide. Tonight is a time of providing information to the Council so it can start thinking ahead as to how it wants to proceed in FY 2013/2014. Mr. Grier stated it helps both staff and the Council to look historically at the day to day operation and maintenance and the costs on a monthly basis, which have been tracked for 5 years now. This helps in determining more accurate numbers for the ensuing budget. Mr. Grier stated the amount left over each month had been \$32,000 - \$33,000.00, but for the past ten months it has been at \$56,200 per month. What this means is that if the Town now has on average \$56,200 left over each month, this will result in \$674,000.00 to spend on projects, and still maintain a fund reserve of \$2.6 million. The Council will need to make the decision as to what level of fund reserve it wants to maintain in FY 2013/2014.

Council Member Binney asked how the monthly amount has increased. Ms. Nutt stated there was an increase in the census, which increased the state shared revenues received by the Town, and also the water department has been able to set some money aside. Town Manager Grier also pointed out the Town has saved money by contracting with Payson for building inspections.

Town Manager Grier then directed the Council's attention to the various areas that cause concern in preparing the budget. First, there are declining photo radar revenues at approximately 5% per year. Ms. Nutt stated a 5 year analysis would result in a decline of \$145,000.00. The current net revenue from photo enforcement is approximately \$312,000.00. Mr. Grier pointed out that the revenue from photo enforcement pays only 75% of the Town's expenditure for law enforcement.

Another concern is staff costs, primarily staff replacement costs, should they occur, which would certainly tax the budget. Mr. Grier stated this possible cost is the one he construes as the biggest threat to the budget.

The next concern Mr. Grier addressed was streets and roads. A streets and roads master plan is presently being worked on, and he expressed concern that the Town will be facing substantial costs to preserve its streets and roads which will include a great deal of crack sealing. Mr. Grier emphasized that streets and roads projects are always expensive.

The last area of concern is water projects, which would include unknown and unexpected costs which are difficult to build into the budget. The budget does not include an allowance for big ticket emergency expenditures.

Town Manager Grier summarized by emphasizing the goal is to have both the water master plan and the street and roads master plan available for the Council soon so they can use these tools in making decisions on the budget for FY 2013/2014, although the budget does have contingency funds built into it so they don't have to make definite decisions on water and streets and roads projects immediately. Mr. Grier stated budget time is a time for the Council to reconsider its position, and to establish priorities for projects. Mr. Grier cautioned that there was a considerable amount of grant money available for use on water projects during the current fiscal year, and these will not be available in the next budget year. He also cautioned that while \$674,000.00 is the projected amount available for projects, he is not confident this will hold true throughout the ensuing budget year.

4. Discussion and possible action to adopt Resolution No. R 13-04 – A resolution of the Mayor and Town Council of the Town authorizing the submission of an

application(s) for SY 2013 State Community Development Block Grant Funds, certifying that said application(s) meets the community's previously identified housing and community development needs and the requirements of the State CDBG program, and authorizing all actions necessary to implement and complete the activities outlined in said application(s).

Town Clerk Lois Johnson stated at the last regular Council meeting it was decided that the two projects for the FY 2013 CDBG funds would be Meals on Wheels (\$60,000.00) and the balance of the funds to be applied to rehabilitation of the Quail Hollow Well Site. A resolution confirming this decision needs to be submitted to ADOH with the application for the 2013 grant monies.

A motion that the Council approve Resolution No. R 13-04 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, authorizing the submission of an application(s) for FY 2013 State Community Development Block Grant Funds, certifying that said application(s) meets the community's previously identified housing and community development needs and the requirements of the State CDBG program, and authorizing all actions necessary to implement and complete the activities outlined in said application(s) was made by Council Member Coon, and was seconded by Council Member Binney. The motion was voted on and passed 7-0.

- **CONSENT AGENDA ITEMS:**

All items listed under the Consent Agenda will be voted on with one motion. If discussion is desired regarding any Consent Agenda item, that item will be removed from the Consent Agenda and voted on separately.

- A. **Approval of the minutes from the Regular Council Meeting held on April 16, 2013.**
- B. **Approval of Claims Payable from April 16, 2013 through April 30, 2013, for the General Fund and for the Water Department.**

A motion to approve consent agenda items A and B was made by Council Member Leis, and was seconded by Council Member Binney.

The motion was voted on and passed 7-0.

- **COMMENTS FROM THE PUBLIC:**

During this portion of the meeting, members of the public may address the Town Council on items that are not on the printed agenda. Any remarks shall be addressed to the Council as a whole and not to any individual member. Speakers are limited to three (3) minutes per person unless additional time is granted by the Mayor. The Council may not discuss or act upon matters raised during public comments.

Phon Sutton, who stated he is not a resident of Star Valley, provided a handout to the Council (attached to these minutes). Mr. Sutton stated his concern is that residents are paying too much for fire protection. He would like the Council to consider incorporating fire protection into the Town.

• **ADJOURNMENT**

A motion to adjourn the meeting was made by Council Member Hartwell, and was seconded by Council Member Leis.

Council Members Henderson and Leis stated no vote on the adjournment motion was required.

APPROVED:

Ronnie O. McDaniel, Mayor

Date: _____

ATTEST:

Lois V. Johnson, Town Clerk

CERTIFICATION:

I 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 Star Valley held on the 7th day of May, 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 16th day of May, 2013.

Lois V. Johnson, Town Clerk