

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

**Tuesday, February 17, 2015 @ 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 Reverend Charles Proudfoot of Community Presbyterian Church
- PLEDGE OF ALLEGIANCE
- ROLL CALL:

Mayor McDaniel X , Vice-Mayor Binney X , Council Member Hartwell X , Council Member Henderson X , Council Member Coon X , Council Member McKinney X , Council Member O'Connor X .

- **GILA COUNTY SHERIFF'S OFFICE REPORT FOR JANUARY, 2015.**

Lt. Tim Scott of the Gila County Sheriff's Office gave the report for January, 2015.

- **HELLSGATE FIRE DISTRICT REPORT FOR JANUARY, 2015.**

Fire Chief Dave Bathke of Hellsgate Fire District gave the report for January, 2015.

- **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 February 3, 2015.

B. Approval of Claims Payable from February 1, 2015 through February 15, 2015 for the General Fund and for the Water Department.

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

A roll call vote was taken:

Mayor McDaniel X , Vice-Mayor Binney X , Council Member Hartwell X , Council Member Henderson X , Council Member Coon X , Council Member McKinney X , Council Member O'Connor X .

The motion was voted on and passed 7-0.

- **DISCUSSION ITEMS:**

1. Discussion and possible action regarding Senate Bill 1167 and the consequences for the Town's budget if same is passed by the Legislature. Presentation by Town Manager Grier.

Town Manager Grier stated Senate Bill 1167 proposes to eliminate photo radar throughout the State of Arizona. Mr. Grier stated Ken Strobeck, Executive Director of the Arizona League of Cities and Towns, had indicated to Mr. Grier that this bill seems to have a stronger possibility of passing than other bills have in the past. Mr. Strobeck works closely with the Legislature and is very informed as to the bills being presented and voted on. Town Manager Grier stated it is important for the Council to give a very careful look at what impact this would have on Star Valley's budget. Mr. Grier stated Star Valle is currently in a good position, but he cautioned the Council needs to give a good look at what the future would be for the Town without photo radar.

Town Manager Grier stated there were four separate bills being considered by the Legislature. The bill requiring a uniformed officer to be located at each photo enforcement site did not pass the House as of the date of this meeting. However, the bill with the most impact would be Senate Bill 1167, which is still alive. There is another House bill pending which requires a certified officer issue the citations, which Star Valley already has in place. In addition, House Bill 2221, which does not allow a driver's license to be suspended unless the driver is served, is still pending in the House. House Bill 2221 would make it "toothless" to collect on tickets.

Town Manager Grier emphasized his belief that the Council needs to consider what impact losing \$300,000 in photo radar revenue would have on the Town's budget. Mr. Grier reminded the Council that it has previously chosen \$2.6 million as the cash fund reserve number. Mr. Grier posed the question to the Council that if the \$300,000 from photo enforcement is taken out of the Town's budget, is the \$2.6 million still a good number?

Town Manager Grier stated if photo enforcement is taken away, this leaves the Town will approximately \$300,000 less in net revenue. Mr. Grier reminded the Council that the photo enforcement revenue is a restricted fund that goes directly to help pay for law enforcement. Mr. Grier also reminded the Council that every two years approximately \$15,000 is spent on election costs, and the Town must also continue to fund Meals on Wheels for an additional two years under the terms of the current CDBG funding.

Without photo radar, Town Manager Grier stated the Council would have \$101,333 available for projects above and beyond day-to-day operations of the Town. Mr. Grier stated the county Excise tax should mitigate the potential loss of photo radar. However, Mr. Grier stated the Town would not be a "break even town" without photo enforcement revenue. While the loss of photo enforcement will not break the Town, Mr. Grier reminded the Council it took ten years to build-up the aggregate fund it currently has. Mr. Grier stated that once spent it is gone. Mr. Grier stated the excise tax should bring in approximately \$139,674 annually, but this is restricted and can only be used on streets and roads.

Town Manager Grier reported the HURF monies are approximately \$214,133 annually. Mr. Grier stated it is his belief that the Town needs to do continued maintenance of the roads, and he has allocated \$150,000 to streets and roads. Mr. Grier reported that the Town has exceeded that amount this year. Mr. Grier stated taking \$150,000 for streets and roads out of the combined HURF and excise tax, this leaves \$180,000 annually for projects above the day to day maintenance of the Town. Mr. Grier reminded the Council that HURF and excise tax monies can only be spent on streets and roads. Summarizing this, Mr. Grier stated the Town would have \$101,333 for projects and \$180,000 for streets and roads projects.

Thereafter the Town would have to resort to the cash fund reserve for further monies. Mr. Grier stated the water department is currently operating in the black at \$3,100. The total available to spend outside of day to day operations is \$283,300. Mr. Grier cautioned that he had not included any amount for an emergency, and an emergency could easily “eat through” the total fund reserve very quickly, depending on the type of emergency. Mr. Grier also reminded Council that from time to time a Council Member will present an unexpected agenda item that has not been figured into the budget, i.e., the pump to test the Haught well and the business showcase.

Town Manager Grier summarized by recommending the Council consider whether \$2.6 million is still the right number, and the biggest challenge for the Council at this time is to determine what is too cautious, and what is not cautious enough.

Council then discussed at length the bills pending before the Legislature; the impact on the budget if photo enforcement is no longer available; if \$2.6 million is too high a number; what impact an emergency could have and how to determine if enough money is available; if it is advisable to spend all of the current funds available on projects at this time, or if it is better to stay within the budget; if the budget can be adjusted; if photo radar is not available if the IGA with Gila County Sheriff’s Office will need to be renegotiated; and that if SB1167 does pass, the major impact will affect FY2015-2016.

2. Discussion, PUBLIC HEARING, and possible action regarding selection of Community Development Block Grant (“CDBG”) project(s) for FY 2015.

Alan Urban of Central Arizona Governments (“CAG”) informed the Council that at this meeting it was necessary for them to make its decision on projects for FY 2015 CDBG funds, and he recommended the Council to prioritize choices. By doing this, if the first project “falls apart,” then the Council can go to the next choice without having to go through the whole selection process again. Mr. Urban stated the application for the funds is due July 1st, with a decision anticipated in October. Mr. Alan stated even if the Council chooses to purchase two wells, an environmental review is required.

Town Manager Grier explained to Council that Mr. Haught takes the position that the two wells must be bought together, he is not selling them separately. Mr. Grier also explained that the net amount of the grant will not cover the purchase of both wells, so the Town will need to leverage approximately \$70,000 for purchase of both wells and then approximately \$50,000 to hook the wells up to the Town’s water system. Mr. Grier stated he does not have a firm number for the Moonlight Crossing, but estimated between \$120,000 and \$180,000.

Council Members then discussed selection and prioritization of projects. The consensus for number 1 was purchase of the two wells; then PW-1 and PW-2 as number 2 choice; and then Moonlight Crossing as number 3 choice. Mr. Grier stated staff recommendation is also in that order, and that recommendation is predicated on the size of Town staff. Mr. Urban confirmed that purchase of the two wells should meet the requirements of ADOH. Town Manager Grier pointed out that the Circle K location was not included in the last special survey, but should qualify for low to moderate income. Mr. Urban stated it might be necessary to survey just that area.

Mayor McDaniel then opened this discussion item up for public hearing.

Bill Davis, 181 W. Monument Trail, Star Valley, stated there were several projects the Knolls subdivision would like to address and asked if any of the CDBG funds could be allocated to those projects. Town Manager Grier responded that the CDBG is a federal grant and can only be used in low to

moderate income areas. The Knolls does not fall in this category, therefore the grant monies cannot be used in the Knolls.

Vern Leis, 33 E. Saddleback Trail, Star Valley, expressed his appreciation for the Council taking a positive approach and concurred that the sequence of project selection was excellent.

There were no further public comments, and the Mayor closed the public hearing.

A motion that the Council use the FY 2015 CDBG funds to purchase the Lumbermen's well and the well behind the Circle K in Star Valley as the number one priority; and hook-up of the PW-1 and PW-2 wells as the number two priority; and the Moonlight Crossing project as the number three priority was made by Council Member Coon, and was seconded by Council Member Hartwell. The motion was voted on and passed 7 – 0.

3. Discussion and possible action regarding approval of Roy Haught Excavating proposal for road work.

Town Manager Grier stated the council books contained a copy of the invoice from Roy Haught Excavating in the amount of \$47,845.80. Mr. Grier stated this is mainly for potholes, etc. and addresses safety concerns in the Town. Mr. Grier recommended that the Council move forward on the road projects, and stated work could begin immediately. Council Member Coon suggested the Council round the amount up to \$50,000.00 as sometimes an estimate does not reflect a small cost or two. Mr. Grier stated this was a good idea, and stated the estimate does not contain a price for the guard rail.

A motion that the Council accept the February 3, 2015 proposal for streets and roads projects submitted by Roy Haught Excavating, and authorize the Town Manger to proceed with the projects in the amount of \$55,000.00 was made by Council Member Coon, and was seconded by Council Member Binney.

The motion was voted on and passed 7 – 0.

4. Discussion and possible action regarding whether or not to approve Town projects for: (1) Moonlight Crossing; (2) PW-2 well; (3) park bathrooms; (4) purchase of 2 Haught wells; and (5) well connections and piping.

Vice-Mayor Binney stated some of the listed projects have been around for some time. Mr. Binney expressed his opinion that Moonlight Crossing needs to be done; the cost to do the hook-up of PW-1 and PW-2 would be approximately \$150,000; that the prices he has obtained for park bathrooms are between \$150,000 to \$225,000, so he believes the Town Manager should be directed to get actual quotes; the purchase of the 2 Haught wells was covered in the CDBG selection of projects; and concerning the well connections and piping, he is of the opinion they may not need to be hooked up at the present time.

Council Member Hartwell stated considering the Town does not know what its income will be for the ensuing fiscal year, discussion of projects, especially park bathrooms, at this time is a moot point. Further discussion was held among the Council Members as to the advisability of pursuing the park bathroom issue.

A motion that the Council direct the Town Manager to pursue potential costs for bathrooms at the B. Diane McDaniel Community Park was made by Council Member Coon, and was seconded by Vice-Mayor Binney.

The motion was voted on and the vote was 6 – 1.

A roll call vote was then taken:

Mayor McDaniel Yes, Vice-Mayor Binney Yes, Council Member Hartwell No, Council Member Henderson Yes, Council Member Coon Yes, Council Member McKinney Yes, Council Member O'Connor Yes.

The motion passed 6 - 1.

A motion that the Council move forward on the Moonlight Crossing project at \$150,000.00 was made by Vice-Mayor Binney, and was seconded by Council Member O'Connor.

The motion was voted on and the vote was 4 – 3.

A roll call vote was then taken:

Mayor McDaniel No, Vice-Mayor Binney Yes, Council Member Hartwell No, Council Member Henderson No, Council Member Coon No, Council Member McKinney Yes, Council Member O'Connor No.

The motion failed by a vote of 5 - 2.

Mayor McDaniel pointed out that the number two project (PW-1 and PW-2 hook-up) was the number two choice for the CDBG funds.

Concerning the “connections and piping project”, Vice-Mayor Binney stated it is his belief it is not necessary to considering connecting the two Haught wells, assuming they are purchased with the CDBG funds. Town Manager Grier stated this is probably premature to discuss this project at this time. Mr. Grier recommended the Council put off further discussion on this until the wells have actually been purchased.

5. Discussion and possible action regarding the drainage problem at the intersection of Highline and Highway 260, in Star Valley.

Town Manager Grier stated that he and Roy Haught had reviewed this intersection as of the date of this meeting. Council Member Coon stated during periods of rain granite washes down Highline and collects at the intersection of Highline and Highway 260, causing a very “slippery” situation, and the asphalt is also breaking up in this area. During the winter ice accumulates in this intersection also causing a serious driving hazard. Council Member Coon stated he believes safety and liability to be sufficient reasons for the Town to address this problem as soon as possible.

Discussion was held as to the best possible way to proceed on this issue. Town Manager Grier stated it was Roy Haught’s recommendation that it is a maintenance issue which can best be solved by digging out the ditch. Council Member O’Connor stated he also had spoken with Mr. Haught and was informed there is very little undermining of the road and it should be repaired when the chip sealing is done. Discussion was also held as to the location of the utilities in this area.

A motion that the Council ask Roy Haught to have the area of Highline and Highway 260 blue staked for location of the utilities, and to get a price to clean out the ditches was made by Vice-Mayor Binney, and was seconded by Council Member O’Connor.

The motion was voted on and passed 7 – 0.

6. Discussion and possible action regarding extending the 45 mph speed limit on Highway 260 to include Highline and Valley Road.

Council Member Coon stated the speed limit on Highway 260 at Highline Drive and at Valley Road is 55 mph. He is requesting that the speed limit of 45 mph be extended past both these intersections

and then become 55 mph. This creates a hazardous situation for both intersections. Discussion ensued concerning how to present this to ADOT, as well as several other suggested solutions, including on-demand signal or round-about.

A motion that the Council authorize the Town Manager to contact Arizona Department of Transportation for the purpose of reducing the speed limit on Highway 260 at Highline Drive and Valley Road intersections to 45 miles per hour was made by Council Member Coon, and was seconded by Vice-Mayor Binney.

The motion was voted on and passed 7 – 0.

Bill Davis, member of the public, suggested the possibility of also adding merging lanes at these intersections.

- **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.

Bill Davis, President of the Knolls HOA, stated several months ago the Town of Payson dealt with its building and zoning laws pertaining to Firewise and dealt with whether or not the laws needed to be changed to comply with Firewise. Mr. Davis asked if Star Valley was waiting to see what Payson is going to do before Star Valley takes any steps to change its fire and safety laws. Mr. Davis asked if Star Valley is not going to take any independent steps on its own relating to this issue. Town Manager Grier stated his knowledge is what he has read in the newspaper, and that to date the Star Valley Council has had no discussion on this issue. Mr. Davis stated the Knolls subdivision is very concerned with this issue and would to see more pro active action taken to try to improve building codes so future builders take steps to prevent fires.

There were no further public comments, and the Mayor closed the public comments section of the meeting.

- **ADJOURNMENT**

A motion to adjourn the meeting was made by Council Member Hartwell, and was seconded by Vice-Mayor Binney.

The motion was voted on and passed 7 – 0.

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 17th day of February, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 26th day of February, 2015.

Lois V. Johnson, Town Clerk