

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

**Tuesday, October 20, 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 REPORTS FOR JULY, AUGUST AND SEPTEMBER, 2015.**

Lt. Tim Scott of the Gila County Sheriff's Office gave the reports for July, August and September, 2015.

- **HELLSGATE FIRE DISTRICT REPORTS FOR JULY, AUGUST AND SEPTEMBER, 2015.**

Fire Chief Dave Bathke of Hellsgate Fire District gave the reports for July, August and September, 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 October 6, 2015.

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

A motion to approve consent agenda items A and B was made by Vice-Mayor Binney, 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.

- **PROCLAMATION:**

1. **Proclaiming November, 2015 as National Native American Heritage Month.**

The Town Clerk read the Proclamation for the Council and public (see agenda packet information).

- **DISCUSSION ITEMS:**

1. **Five Minute Town Manager's Report, and possible discussion.**

Town Manager Tim Grier reported the Anniversary picnic was a great success and enjoyed by all who attended.

Town Manager Grier focused on the achievements of the Town since its incorporation, including all the work performed by B. Diane McDaniel in bringing the incorporation about. Mr. Grier stated 90% of the streets and roads are paved; the Town purchased the water company and has made major improvements to it and increased its production substantially; and Valley Road crossing has been completed. Mr. Grier stated grant money has been utilized for these projects.

Town Manager Grier stated the Sprague Crossing project has commenced; the Quail Valley Project, utilizing CDBG monies, is wrapping up; the "Welcome" signs have received the ADOT and Forest Service permits and are proceeding with the rock work; the application for CDBG # 3 – purchase of one Haught well, has been submitted to ADOH; a meeting is planned in the near future with Roy Haught to plan the next phase of road work; and updated plans have been obtained for the park bathrooms and permits and contract are in the initial stage.

2. **Presentation by Payson Area Youth Advisory Council.**

Due to a scheduling conflict, the Payson Area Youth Advisory Council was not able to attend the meeting and this item was cancelled.

3. **Discussion and possible action regarding the Town's continuing to utilize Central Arizona Governments ("CAG") to administer CDBG or to seek independent services. Ken Hall, Executive Director of CAG to make presentation on behalf of CAG. Town Manager Grier will inquire into the fees charged by CAG and administrative services provided.**

Town Manager Grier stated this discussion item related to the administrative costs charged by CAG on the CDBG grants. Mr. Grier stated he has disagreed on the costs and therefore invited Ken Hall, Executive Director of CAG, to address the Council on this issue.

Ken Hall introduced himself as the Executive Director of Central Arizona Governments ("CAG"), and stated this organization administers CDBG contracts for this Region. Mr. Hall stated Town Manager Grier feels CAG is charging too much in administrative costs, and he will give an account to the Council for the costs charged by CAG. Mr. Hall stated the amount of the grant applied for is \$264,835, and that CAG is charging 10%, or \$26,484, for administrative fees. Mr. Hall stated the administration of this grant by CAG is complex and involves a great deal of time, labor, paper, reports, inspections, etc., over an 18 month period.

Mr. Hall produced a document entitled "Municipal Well Purchase and Connection – Administrative Tasks and Fees", a copy of which is attached to these minutes. Mr. Hall went over this list of tasks with the Council. Mr. Hall explained the TAAP fee of \$5,000.00 is for preparation of the

application, and this fee was established by the CAG Regional Council many years ago. Mr. Hall stated the total hours total approximately 325 hours at \$75.00 an hour. Mr. Hall said this is low and that he believes CAG staff puts in more time than this, working on the project on a weekly basis over an 18 month period. The total administrative cost per this document would be \$29,375.00. Mr. Hall stated he and Town Manager Grier had a discussion concerning this amount, and CAG reduced it to 10% of the grant, which resulted in a loss to CAG in the amount of approximately \$3,000.00. Mr. Hall stated CAG is a non-profit organization and does not make a profit off of any of the communities it administers grants for. Mr. Hall stated CAG's purpose is to provide service to the Town, and break even so it can pay its staff. Mr. Hall stated that Town Manager Grier wanted to reduce the administrative cost to 7% of the grant, but that CAG could not do this as it would lose money on this project. Mr. Hall stated he had contacted the Northern Arizona Council of Governments and the Southeast Arizona Council of Governments and requested what they would charge to administer the subject grant. They stated they would charge \$32,000 and \$34,000, respectively. Mr. Hall also provided a copy of a letter from Katherine Blodgett, Administrator of Community Development & Revitalization Programs for the Department of Housing, wherein she stated 18% or \$47,670 would be a reasonable amount to charge for this grant.

A time for questions from the Council followed, including size of CAG's staff (2 people who work on the grant), the amount of work done by Town staff for or with CAG staff (the tasks listed are those performed by CAG), why CAG never gave a reduction if fee to the Town for the Town's performing the majority of the work on the Special Survey which had to be redone due to errors made by CAG staff in the first survey (done when Mr. Hall was not employed by CAG), if CAG keeps track of hours spent on each project and, if so, if it would provide an itemized list to the Town (yes), if the Town could be billed by the hour for these administrative costs (CAG is set up to take a percentage of the grant, not bill by the hour), CAG's complying with deadlines (milestones are established, but often have to be shifted during the course of a project), if CAG would make any adjustment if at the end of the project the hours were less than anticipated (yes, but to date CAG has not had this occur, and if a scientist could do the ERR (certain process has to be done, scientist could not do the necessary paperwork).

Town Manager Grier then addressed the issue of the Special Survey which was required to be redone due to incompetence on the part of CAG staff; Mr. Hall responded that he was not with CAG at the time, but that it was "completely unacceptable" and suggested the Town put all the facts and issues in writing and he would submit same to the Regional Council for its decision. Mr. Grier stated it was his position on behalf of the Town that CAG should reimburse the \$5,500 to the Town.

Town Manager Grier requested that CAG provide the Town with the "Administrative Tasks and Fees" on grants which it administers for the Town. Discussion then centered on the most recent grant, which has changed from the purchase and connection of two wells to the purchase and connection of one well. Mr. Grier stated he and Alan Urban of CAG had a discussion regarding the administrative cost to 7%, but that it would have to be approved by Mr. Hall, who refused to reduce the cost.

Town Manager Grier also addressed the issue of Town staff participating in the administration of CDBG grants. Town Clerk Johnson provided a summary of the tasks which Town staff provides in conjunction with a grant, including the work performed on the Special Survey.

Regarding the procurement process, Mr. Hall stated he would have to have Alan Urban, the project manager, address this issue. Mr. Hall did confirm that on average 3-1/2 hours per week are spent on a CDBG project, and calculating a project takes 18 months, the cost would be approximately \$3,000 less than the amount charged, and clarified that this amount then would go into a "community pot" and used to pay for staff and internal costs. Mr. Hall emphasized that CAG charges a base rate, provides services to the Town, and does this at a breakeven rates so it does not make a profit.

Mr. Hall stated he could provide an itemization of the date, amount of time, and task performed for CAG employees. Mayor McDaniel requested that the Town Manager request this documentation, and Town Manager Grier indicated he would make this request for the last grant and would provide this documentation to the Council.

4. Discussion and possible action regarding the services offered to the Town by Central Arizona Governments and if this is or is not sufficient for the Town to continue as a member or withdraw from Central Arizona Governments. Ken Hall, Executive Director of CAG to make presentation and explain the value of CAG to Star Valley.

Ken Hall stated Central Arizona Governments has been in existence since 1970, and consists of 6 Regional Councils. CAG has three standing committees – an environmental, an economic development committee, and a transportation committee. These committees have regular meetings and make recommendation to the management committee, which is comprised of all the town and city managers or clerks or their appointees, and it then goes to the Regional Council for their final authorization. Mr. Hall stated CAG has a staff of 16, and it provides economic development services to the communities it represents, and it also has a transportation planning division, and it does community development block grants, and community development planning and GIS and mapping services, as well as job training services. Mr. Hall stated CAG provides services to each of the communities in its region.

Mr. Hall stated he believes the biggest problem CAG has with Star Valley is that Star Valley does not participate in CAG committees or request assistance from CAG. Mr. Hall stated CAG is a “member driven organization,” and the Town gets out of it what it puts into it. Mr. Hall alleged that in the three years he has been with CAG, there has been no participation from Star Valley, until just recently Council Member McKinney has attended several meetings. Mr. Hall stated he believes the Town has lost money by not participating in the transportation committee. Mr. Hall alleged that CAG has reached out to Star Valley many times to participate, but no one has attended from Star Valley. Mr. Hall stated CAG is willing to assist the Town with grant writing, finding grant sources, and transportation projects.

• 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.

Vicky Trevey, lives on Pinon Road in Star Valley, stated she and her husband have lived in Star Valley for 3-1/2 years, and provided pictures of the work they have done on the property, which she stated cost over \$100,000. Ms. Trevey stated next to their property is 5 acres which was “forest” and this property has been purchased by someone from Mesa who denuded the entire property by taking all the trees away through the excavation company she hired. New culverts were dug which divert water directly onto the Trevey front yard. Ms. Trevey had pictures depicting the August rain storm which was “substantially worse,” and she claimed the Trevey property gets so much water it has completely destroyed their property. Ms. Trevey stated she has called the Town of Star Valley and received a letter from Town Attorney Grier, and she has also called Payson. Ms. Trevey stated she was told no permits were required, but her property has been “destroyed.” Ms. Trevey stated “nobody will help us.” She also stated the only one who would help them will “cost a lot of money.” Ms. Trevey stated they need some help getting their property fixed to where the water is diverted to where it is supposed to be diverted instead of onto her property. Ms. Trevey stated they do not want to proceed to legal measures, but at this

point they do not have a choice. Ms. Trevey stated she has called everyone and can't get any answers. Ms. Trevey stated the last storm created a "river" and their culvert is now filled up with mud and is six feet high and comes over the propane tanks, which have had to be moved. Ms. Trevey stated they hired an excavator so the water doesn't go into the garage and greenhouse. Ms. Trevey stated somebody needs to be held accountable for this and the thousands of dollars it is going to cost them.

Scott Trevey, husband of Vicky Trevey, stated their primary concern is they have contacted Star Valley, Payson and Gila County and asked about permits being required for altering the water course. Mr. Trevey stated the property next door was acquired recently and they hired a local excavator to denude the property so it is now only dirt. When it rains, the drainage is accelerated, and the water rushes against the muddy property and rushes through the culvert onto the Trevey property and floods the yard, garden, driveway and greenhouse. Mr. Trevey stated they are getting the "runaround" concerning responsibility for drainage. Mr. Trevey stated they enjoy living here, but the current situation causes them to wonder if the community is here to protect and serve its constituents, or just where they need to go from here. Mr. Trevey also stated an eight foot fence has been erected around the property and no one else in Diamond Point has an eight foot fence. Mr. Trevey stated they do not know what their recourse is, and they do not have the funds to hire an attorney. Mr. Trevey stated they were hoping Star Valley would help them in the accountability phase to rectify this situation.

There were no further comments, and the Mayor closed this portion of the meeting.

• ADJOURNMENT

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

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 20th day of October, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 28th day of October, 2015.

Lois V. Johnson, Town Clerk