

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

**Tuesday, June 7, 2016 @ 6:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

- PRAYER was offered by Rev. Charles Proudfoot of Community Presbyterian Church
- PLEDGE OF ALLEGIANCE

The Agenda for the meeting is as follows:

- CALL TO ORDER
- 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 .

- **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 May 17, 2016.

B. Approval of Claims Payable from May 16, 2016 through May 31, 2016, for the General Fund and for the Water Department.

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

A roll call 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 Town's investment account. Presentation (telephonically) by Dave Long of Stifel Nicolaus, Timothy Grier, Town Manager and Chancy Nutt, Finance Administrator.

Town Manager Grier stated we are here to talk about where the Town is at, as far as status, with the CD investments with Dave Long of Stifel Nicolaus. Mr. Grier stated the Town had three goals when the Town decided to invest \$2.5 million of reserve funds in laddered CD's with Stifel. One, to maximize the interest rate on the Town reserve funds. Two, to do so in a secure manner, insuring FDIC coverage,

which is required by Statutes by the State of Arizona and the Town's investment policy. And three, to utilize laddered CD's of Town funds to insure liquidity.

Town Manager Grier requested Dave Long, of Stifel Nicolaus, to explain to Council in more detail how, and if, these goals were accomplished. A copy of the Portfolio Review dated May 25, 2016 was provided to Council. Mr. Long stated the account value closed at \$2,572,753.00. Year to date performance, specifically on FDIC insured relatively short term bonds, is up 2.02%. Mr. Long stated the 10 year Treasury, which would be the equivalency of safety and liquidity thereof, is at 1.71%. Every position the Town has is liquid, within three business days.

Mr. Long stated he is reluctant to go out any further than two and one-half or three years, when purchasing CD's for the Town, and he is most interested in finding positions that cover FDIC insurance and are trading at a discount. Mr. Long's aim is to be as cautious as possible, and believes it is important to stay fairly short term and ladder the positions. Mr. Long stated the Town's biggest concern is devaluation of positions prior to maturation.

Town Manager Grier requested Finance Administrator Chancy Nutt to discuss with Council the current state of the budget, cash flows, and how the Town may safely increase the amount of reserve funds managed by Stifel. Ms. Nutt noted the importance of liquidity in the Town's investment strategy. She stated the use of laddered CD maturity dates has been effective in accomplishing this goal, as well as satisfying the goal of maximizing interest return on investment funds. Ms. Nutt stated that the current cash balance is \$1.9 million, with expected large expenditures coming due at the end of the fiscal year. Significant delays in capital improvement projects have contributed to the accumulated cash balance. Ms. Nutt recommends the Town invest more money into laddered CD's, as she has been able to take a hard look at the information that comes in on a daily basis and is comfortable with the recommendation.

Town Manager Grier stated the Town has two issues: First, a 28% reduction in revenue due to termination of the photo enforcement program. Second, the Town is also looking at a sixty thousand dollar a year increase from the Gila County Sheriffs Department. Even with these two issues, Mr. Grier believes the Town has too much money sitting on the sidelines that is not bearing interest.

Town Manager Grier stated the Town is still being very conservative. The money is still liquid and the Town can sell the CD's, if necessary, in order to make money available. Mr. Grier requested a motion to allow a one million dollar transfer into the same financial, fiscal strategy.

A motion that the Council move to direct the Town Manager and Finance Administrator to set up further investments with Dave Long of Stifel Nicolaus, in the amount of one million dollars, per the requirements the Town needs in the future, was made by Council Member Henderson, and was seconded by Council Member Hartwell.

The motion was voted on and passed 7 – 0.

2. Public hearing, discussion and possible action to adopt Resolution No. R 16-15, adopting the Final Budget for Fiscal Year July 1, 2016 through June 30, 2017 in the amount of \$9,051,044.00. Presentation by Chancy Nutt, Finance Administrator.

Finance Administrator Chancy Nutt stated this is the final step in the budget process for fiscal year 2016-2017. Upon adoption, the final budget will be published in the local newspaper and on the Town of Star Valley website, and made available for the public to view. Ms. Nutt stated the Final Budget will go into effect on July, 1 2016.

Mayor McDaniel then opened this portion of the meeting up for public discussion; there were no comments or questions; and the Mayor proceeded to close the public hearing.

A motion that the Council adopt Resolution No. R 16-15, adopting the Final Budget for Fiscal Year July 1, 2016 through June 30, 2017 in the amount of \$9,051.044.00 was made by Council Member Coon, and was seconded by Council Member Hartwell.

The motion was voted on and passed 7 – 0.

3. Public hearing, discussion, status report and possible action to revoke or continue CUP No. 15-02, CONNIE L. AGNES (Heart 6). Status report and compliance report provided by Code Compliance Officer, Robert Rippy and Town Manager, Timothy Grier.

Town Manager Grier stated he will make the presentation, as Code Compliance Officer Robert Rippy is not in attendance. Mr. Grier noted that many members of Heart 6 are represented at Town Hall today, and understands they would like to weigh in. Mr. Grier stated the Town is where it hoped it would be, with a compliant party, but did express his concern that Heart 6 continue to be compliant with the CUP. Mr. Grier stated Heart 6 has done a very good job bringing the property into compliance. He stated the Council should hear from property owners around Heart 6, to find out what their position is, and if they are in agreement.

Mayor McDaniel expressed his appreciation for the hard work of Heart 6. The Mayor then opened this portion of the meeting up for public comment.

Pat Woolsey of 379 N. Valley Rd., Star Valley stated the place is clean, the fly situation is gone, the smell is gone, and the horses are happy. They did an awesome job.

Mayor McDaniel then read a portion of the June 4, 2016 letter addressed to the Town Council, from Bob and Mimi Halgren of 401 Valley Rd., Star Valley, who were unable to attend the meeting. The Halgren's expressed their pleasure with the news of the ranch being cleaned up.

Bobby Davis of 90 S. Hillside Dr., Star Valley stated they accomplished the task and he is very proud.

Belinda Minutella of Payson, asked if the Town of Star Valley will continue to stalk every neighbor that owns a horse. Mayor McDaniel responded that he hoped that no one is that far sighted to complain about something that is not a fact. Town Manager Grier stated the Town will continue to observe and make sure Heart 6 is compliant with the CUP conditions, as that is the job of the Town to do so, as all property rights need to be protected.

Breeze Sprague with Heart 6 of 423 Valley Rd., Star Valley addressed the Council in response to the comment made by Belinda Minutella. She stated that Ms. Minutella is not with Heart 6. Ms. Sprague stated Heart 6 is happy with the Council's decision to continue the CUP.

- **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.

The Mayor opened up the public comments portion; there were no public comments; and the Mayor closed this portion of the meeting.

- **ADJOURNMENT**

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

The motion was voted on and passed 7 - 0.

APPROVED:

Ronnie O. McDaniel, Mayor

Date: _____

ATTEST:

Edie Chapin, 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 June, 2016. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 24th day of June, 2016.

Edie Chapin, Town Clerk