

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

**Tuesday, June 18, 2019 at 6:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

The Agenda for the meeting is as follows:

- PRAYER was offered by Ms. Lois Johnson of Crossroads Foursquare Church.
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER

- ROLL CALL:

Vice Mayor McKinney X , Council Member Davis X , Council Member Armington X ,
Council Member Binney X , Council Member Rappaport X , Council Member
McDaniel X , Mayor Coon X .

- **HELLSGATE FIRE DISTRICT REPORTS FOR APRIL AND MAY 2019**

Chief Wisner with Hellsgate Fire District gave the report for May 2019.

- **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 June 4, 2019.

**B. Approval of Claims Payable from June 1, 2019 through June 15, 2019 for the
General Fund and for the Water Department.**

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

A roll call vote was taken:

Vice Mayor McKinney X , Council Member Davis X , Council Member Armington X , Council Member Binney X , Council Member Rappaport X , Council Member McDaniel X , Mayor Coon X .

The motion was voted on and passed 7 - 0.

- **DISCUSSION ITEMS:**

1. **Public hearing, discussion and possible action to adopt Resolution No. R 19-06, adopting the final budget for fiscal year July 1, 2019 through June 30, 2020 in the amount of \$7,116,200.00. Presentation by Finance Administrator Nutt.**

Finance Administrator Nutt directed council to the provided packet of state documents that reflect what was discussed at the public hearing last month to adopt the tentative budget in the amount of \$7,116,200.00. Ms. Nutt reported she didn't receive any requests to change any of the amounts within the fund. The budget presentation is the same within each fund and tonight's meeting is a formality to accept what was previously accepted in the tentative budget in another public hearing for final adoption. Once the budget is accepted tonight, explained Ms. Nutt, it will be published for public review in the newspaper, placed on the Town website and submitted to the Arizona Department of Revenue and the Auditor's Office. Ms. Nutt reported she will provide updates throughout the year on a quarterly basis. The Mayor opened the item for council discussion. There was no council discussion and the Mayor opened the item for public discussion. There were no public comments and the Mayor closed the public hearing portion.

A motion to adopt Resolution No. R 19-06 adopting the final budget for Fiscal Year 2019/2020 for the Town of Star Valley in the amount of \$7,116,200.00 was made by Council Member Davis and was seconded by Council Member McKinney.

A roll call vote was taken:

Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Rappaport Yes, Council Member McDaniel Yes, Mayor Coon Yes.

The motion was voted on and passed 7 – 0.

2. **Discussion and possible action to adopt Resolution No. R 19-05 – A Resolution of the Mayor and Common Council of the Town of Star Valley, approving the revised IGA with the Arizona Department of Revenue for collection of transaction privilege taxes.**

Finance Administrator Nutt explained the resolution reflects the contract between the Town and the State of Arizona Department of Revenue (ADOR). Per state statute the ADOR collects the Town's city sales tax on its behalf and dictates that the Town enter into an agreement with the ADOR to do that on the Town's behalf. Whether the Town likes it or not, stated Ms. Nutt, the ADOR provides that service as well as auditing service upon request. This agreement is to make it an official responsibility of the ADOR for collection and reporting to the Town, as well as fulfilling audits upon request. Ms. Nutt asked council to fulfill the Town's obligation and enter into the contract to continue the Town's collections with the ADOR. Council Member Rappaport pointed out the agreement states that the ADOR collects whether the Town is under contract or not. Ms. Nutt responded they just might not distribute it to the Town. Council Member Rappaport answered they have to by law and can't withhold it. Town Manager Grier responded the Town doesn't have a choice whether to enter into the contract with the ADOR. Mr. Grier explained when Governor Brewer was in office, she made tax collection uniform. The League of Cities and Towns opposed this for the most part because they didn't believe the ADOR would be able to audit and collect taxes as diligently as towns and cities. Council Member Rappaport stated she is concerned about the added multi-layer of bureaucracy. No city or town in the State of Arizona has a choice, responded Mr. Grier.

A motion to adopt Resolution No. R 19-05 approving and authorizing the Mayor to execute the revised IGA between the Town of Star Valley and the State of Arizona in the collection,

administration, audit and licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use taxes and rental occupancy taxes imposed by the state, cities or towns was made my Council Member Armington and was seconded by Council Member Davis.

A roll call vote was taken:

Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Rappaport No, Council Member McDaniel Yes, Mayor Coon Yes.

The motion was voted on and passed 6 – 1.

3. Discussion and possible action to adopt Video Service License forms as required by the passage of SB1140.

Town Clerk Chapin explained that municipalities are required to adopt these forms with the passage of SB1140. Town Manager Grier added it has little effect on the Town and is a result of Senate Bill 1140. It requires the adoption of the licensing agreements. These forms have been prepared by the city attorneys and are being presented to council to adopt as well. Vice Mayor McKinney stated there is no financial detriment to the Town for council to adopt these forms.

A motion to approve the Application and Affidavit for Uniform Video Service License and Model Uniform Video Service License Agreement was made my Council Member Davis and was seconded by Council Member McDaniel.

A roll call vote was taken:

Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Rappaport Yes, Council Member McDaniel Yes, Mayor Coon Yes.

The motion was voted on and passed 7 – 0.

4. Discussion and possible action concerning the purchase and installation of a zip line for the community park.

Town Manager Grier stated the zip line idea originated from Ms. Nutt and Ms. Chapin and assured council the zip line is for young kids and is very safe. Mr. Grier reported staff spoke with various parks with zip lines and found out they are very popular, which persuaded him that it would be a good thing for the park. Gila County, informed Mr. Grier, is contributing \$10,000.00 towards the \$25,000.00 cost of the zip line. Mr. Grier reported that Roy Haught has installed other playground equipment and that the Town might be able to mitigate some cost by having him install the zip line. Mr. Grier concluded he thinks the zip line will be popular and it's worth a try. Council Member Armington asked if the Town has received any tribal contributions for the zip line. Mr. Grier responded the Town has not received any yet. Council Member McDaniel questioned the insurance liability of a zip line. Mr. Grier answered the zip line will be covered with Southwest Risk. Council Member Rappaport stated the park looks good, but she doesn't see where there is room for a 50-foot long zip line. Mr. Grier responded he is not sure where it will be placed but a possibility is on top of the hill above the cabana. Council Member Davis advocated a zip line would be a great addition to the park. If Gila County is providing the Town with \$10,000.00, we should take advantage of that for park improvement.

A motion to approve the zip line for the park to the tune of \$26,000.00 was made my Council Member Binney and was seconded by Council Member McDaniel.

A roll call vote was taken:

Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Rappaport No, Council Member McDaniel Yes, Mayor Coon Yes.

The motion was voted on and passed 6 – 1.

5. Discussion and possible action regarding putting a Town Ordinance in place to revoke business licenses for businesses not in compliance with payment of city sales tax.

Council Member Binney stated it is unfair to all the other businesses that are paying taxes. The State is doing the Town a favor by collecting taxes for the Town, but there is no enforcement. His understanding is the Town can be provided a report of who pays and who doesn't. If the State doesn't want to enforce collection, stated Council Member Binney, the Town can just take away the business license. Town Manager Grier explained this agenda item is related to agenda item #2 with the Arizona Department of Revenue. The City of Phoenix came up with the idea that if a business is not current with payment of sales tax then they would revoke the business license. Thus, putting teeth into compliance with paying sales tax. Mr. Grier stated he is not sure if this has been implemented or if it's successful and suggests staff research and contact the City of Phoenix. Council Member Davis asked approximately how many business licenses have been issued by the Town and how many are delinquent. Mr. Grier responded he can't answer the delinquent question due to confidentiality concerns. Town Clerk Chapin guesstimated there have around 200 business licenses issued. Council Member McKinney asked if the Town has the ability to ferret out the information to find someone who is not coughing up the sales tax. Mr. Grier answered the Town has the information, but he is not sure if it is practical for the Town to chase non-compliant businesses. Council Member Rappaport stated she does not know how the Town will track and enforce and is concerned about not being friendly to new business. Mr. Grier responded it is an attempt to enforcing city sales tax and stated he agrees with Council Member Binney that it is not fair to businesses that are paying.

A motion to direct staff to research the possibility of putting an ordinance in place to revoke business licenses for businesses not in compliance with payment of city sales tax was made by Council Member Davis and was seconded by Council Member Binney.

A roll call vote was taken:

Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Rappaport Yes, Council Member McDaniel Yes, Mayor Coon Yes.

The motion was voted on and passed 7 – 0.

6. Discussion and possible action regarding employee benefit review.

Town Manager Grier explained the staff size was recently reduced with the retirement of Robert Rippy. Health benefits are a challenge because the employee pool and the number of people involved makes a difference on the cost. Mr. Grier reported the Town has a good broker with BlueCross BlueShield but once Mr. Rippy retired the employee pool went from four to three. It was discovered BlueCross BlueShield went up 25.52%, which had the effect of reducing the benefit package to the immediate employees. Mr. Grier suggested council increase the benefit 25.52%. This doesn't increase the benefits, reported Mr. Grier, it simply puts the employee in the exact same place that the employee was before the pool went down. Council Member Binney asked if a benefit pool would be possible. Mr. Grier responded that has been tried and the other towns haven't wanted us. Mayor Coon stated council

has a commitment to the employees for a certain coverage. Council Member Davis stated he agrees with Mayor Coon and added the employees are the backbone of the Town.

A motion to increase the eligible employee’s healthcare reimbursement by 25.52% to compensate for the recent increase in BlueCross BlueShield costs to restore the employee benefit package back to the level received prior to Rippy’s retirement was made by Council Member Davis and was seconded by Council Member Armington.

A roll call vote was taken:

Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Rappaport Yes, Council Member McDaniel Yes, Mayor Coon Yes.

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.

The Mayor opened this portion of the meeting up for public comments.

Bill Rappaport of 699 E. Highline Dr. in Star Valley stated there are alternatives to the BlueCross BlueShield healthcare coverage and that maybe the Town can find another broker and another company. BlueCross is the most expensive and not necessarily the best. Mr. Rappaport believes another company can provide a plan to the Town with comparable insurance.

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 Davis and was seconded by Council Member Rappaport.

The motion was voted on and passed 7 – 0.

APPROVED:

Gary Coon, Mayor

Date: _____

ATTEST:

Eddie 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 18th day of June 2019. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 19th day of June 2019.

Eddie Chapin, Town Clerk