

**MINUTES OF THE REGULAR MEETING
AND EXECUTIVE SESSION OF THE COMMON
COUNCIL OF THE TOWN OF STAR VALLEY**

**Tuesday, June 1, 2021 at 4:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

The Agenda for the meeting is as follows:

- PRAYER was offered by Ken Bureson of Rim View Community 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 (appeared telephonically) X,
Council Member McDaniel X, Mayor Coon 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 18, 2021.

**B. Approval of Claims Payable from May 16, 2021 through May 31, 2021
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 Binney.

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 21-03 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, adopting estimates of revenues and expenditures/expenses shown on the scheduled attached as the tentative budget of the Town of Star Valley for the fiscal year 2021/2022. Presentation by Finance Administrator Nutt and Town Manager Grier.**

Mayor Coon stated council will have an opportunity to adopt the final budget at the July 6th council meeting if the tentative budget is approved. Finance Administrator Nutt explained tonight is an official process required by Town Code and also by state statute. The process begins months in advance as staff and council discuss finances throughout the year. This evening's meeting is an opportunity for the public to participate and also for council to make recommendations or any staff direction changes. Council can request for line items to be changed; projects to be re-addressed; and fund balances to be altered. Changes can still be made within a fund, added Ms. Nutt, once we move into the final budget.

Finance Administrator Nutt then began by explaining the budget procedure. The meeting schedule for the budget, reported Ms. Nutt, was published in the local newspaper and on the Town's website to ensure public awareness. All the forms and information are also available at Town Hall. If the tentative budget is passed a public hearing for the final budget will be held on July 6th. Once the budget is adopted it will be published in the local newspaper and on the Town's website for public notification.

Finance Administrator Nutt reported the beginning fund balance for July 1st for the entire budget will be \$7.9 million and the end of fiscal year budget will be \$10.5 million. Revenues from all sources are expected to be \$2.6 million. However, explained Ms. Nutt, the \$10.5 million fund balance is made up of many different funds including restricted funds, rainy day funds, and court funds. In the beginning of this fiscal year \$6.5 million was brought forward and an ending balance of \$7.9 million is projected. The Town was originally braced for a decline in local and state collections, based on the pandemic, as businesses closed and travel was restricted. It was surprisingly rather the opposite as we began to see an influx of state tourism and local tourism. That has increased state shared revenues and city collections, reported Ms. Nutt, as well as restricted funds that are based on sales tax. The Town has an additional \$1.3 million in reserves at the end of this fiscal year due in part to the influx of tourism and tax collection and also the Arizona Cares Act money that was released. Gross revenue of \$1.8 million is projected moving forward in the next fiscal year that will lend to the balance of \$10.5 million at the end of the year.

Finance Administrator Nutt reported projected projects were in line with the budget as expense items were not exceeded by greater than one percent and in some cases were below expected expenditures as projects came in under budget or were delayed. Moving forward, stated Ms. Nutt, staff is going to be very busy with projects slated for the beginning of the year. The delayed projects that were assigned to capital improvement projects by the council in fiscal year 2021 will begin this fiscal year 2022. Those projects are the splash pad at the park, which was delayed due to COVID related concerns, and also the Highway 260 lighting project. Ms. Nutt reported the Town is currently in a holding pattern for that project awaiting APS and ADOT final approval. Staff was able to accomplish many of the projects approved by council last fiscal year despite the delays in shipping, bottlenecks in supplies and vendors, and very busy contractors. Numerous park improvements completed were extending the grassy ramada area; creating stairs from the ramada to the zip line; purchasing a sun shade for the playground; increasing the tot playground equipment through the efforts of Town Manager Grier and Council Member Binney;

adding new playground signage; and installing a message display board for park reservations. Staff, reported Ms. Nutt, was also able to complete the Community Development Block Grant (“CDBG”) water line replacement project on Moonlight to replace undersized and aging pipeline. Town Clerk Chapin applied for Prop 202 funds and staff is hopeful for an award that would pay for the playground sun shade. A road overlay was completed, Moonlight was restriped for safety, and the parking lot at Town Hall was resurfaced for longevity.

State shared revenues, explained Finance Administrator Nutt, are 68% of the Towns expected revenues which go into the general fund. Currently vehicle licensing and Highway User Road Fund (“HURF”) revenues are up. Staff expects them to return to pre-pandemic levels. They are influenced by the amount of new and used vehicles purchased in the state as well as fuel that is purchased. A lot of recreational and off-road vehicles were purchased in 2020/2021, reported Ms. Nutt, and we continue to see influx from those activities. State shared sales tax is also up due to tourism; as businesses begin to re-open; and as construction begins to flow freely. A continued collection of those funds will be seen. State income tax is on a two year lag so the Town will be collecting money from two years prior. This leads to concerns about future impact on the budget as year 2020 catches up. For fiscal year 2022 staff expects those state shared revenues to come in at about \$750,000.00.

Staff, stated Finance Administrator Nutt, continues to believe local sales tax will be strong and above average of previous collection years. There is a lot more year-round tourism through this area and trailer parks are being bought up and developed so the Town expects to see a continued amount of rentals and rental tax collection. Building permits, reported Ms. Nutt, have dramatically increased from years prior. This is due to new construction and also home remodels as market for both new and used homes continues to climb. The court is expected to continue to be about steady. Maturing Certificates of Deposit (“CD’s”) were sold for a profit and the money was then invested in long term CD’s. The Town will receive \$275,000.00 from Arizona Cares Act for fiscal year 2022 and the same amount for fiscal year 2023.

Finance Administrator Nutt reported the combination of personnel, Town Hall operating expenses, and professional services for outsourced departments like the Building Department and law enforcement equals about ten percent of the overall budget for the fiscal year. Staff implements careful project planning to continue to keep a steady reserve for the Town. Going into the new year, stated Ms. Nutt, the other slated projects are the splash pad; street lights on Highway 260; playground sun shade installation; and Town Hall improvements for the continued longevity of the office building. Staff is looking at another Town park improvement of adding trees at a cost of about \$16,000.00. Ms. Nutt reported Town Clerk Chapin and Town Manager Grier have been writing a proposal to solicit matching funds from Gila County for the purchase and planting of additional trees at the park.

Finance Administrator Nutt explained the restricted road fund includes HURF and Gila excise tax with a combined fund balance of \$1.6 million. The Highway 260 lighting project, reported Ms. Nutt, was expensed out of the restricted excise tax fund as lighting along the corridor improves safety for travelers and pedestrians. The project design and stakes out in the field have been approved. A new business development on the Freegard property has proposed ingress/egress concerns about pole placement. Pole placement adjustments may or may not be required and staff won’t know until the design is finalized and approved by ADOT. An answer should be received within another week, reported Ms. Nutt. If the Freegard property development plan does not interfere with the poles then the poles will begin to be sunk in the ground right away. If the poles require adjustment staff will be working with APS on pole placement. Throughout the open fiscal year many street projects such as maintenance of ditches, roadways and street signs were continued. Multiple street signs, reported Ms. Nutt, have been identified for replacement for the coming fiscal year. The overall capital improvement fund availability for

restrictive road projects is \$1.9 million. The Town Manager will review projects as they come in for safety applications that can be put into the excise fund tax.

The judicial fund is the court fund, explained Finance Administrator Nutt, and it is limited for spending. The Town holds the funds on their behalf but cannot access them. The Magistrate Court can request the Superior Court judge to release the funds for any kind of infrastructure improvements for the office or the building. Ms. Nutt reported the Town has never received a request. The estimated end of year balance for court improvements is \$150,000.00. Council Member Davis asked if the funds roll back over if they don't get used. Ms. Nutt replied the funds continue to accumulate.

Finance Administrator Nutt stated the water enterprise fund is the Towns only enterprise fund and it has undergone a lot of changes. The Town has made many adjustments and improvements since purchasing the water system, reported Ms. Nutt, and in the last two years the operations of the system has been outsourced. There is a new service technician on board, Ben, who has been very great out in the field. He has identified twenty meters for replacement in the future fiscal year. The water department is now operating in the black – in part from an increase in services provided as well as adjusting tier rates to better charge high water users without affecting middle and fixed income residents. There are three hundred and ninety eight commercial and residential meters, reported Ms. Nutt, as well as nine master meters.

Finance Administrator Nutt reported Hunters Lodge, a new park development, connected to Town water last month. The Freegard development is also considering connecting to Town water. Staff is in the process of developing a solid plan for replacing/expanding infrastructure. In fiscal year 2022 there is another CDBG project slated with a budget of \$118,000.00. Council Member Rappaport asked how many service technicians the Town has. Water operator Dean Shaffer and service technician Ben, answered Ms. Nutt. They provide all the services for the water department. Council Member Rappaport asked if that comes out of the general fund. That would come out of the purchased professional services in the water enterprise fund, answered Ms. Nutt. As there were no further questions or discussion Mayor Coon opened the meeting to the public. There were no comments and the Mayor closed public comment.

A motion to adopt Resolution No. R 21-03 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, adopting estimates of revenues and expenditures/expenses shown on the schedules attached as the tentative budget of the Town of Star Valley for the fiscal year 2021/2022 in the amount of \$10,509,425.00 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.

2. Discussion and possible action to adjourn into Executive Session, pursuant to:

A.R.S. § 38-431.03.A.1 - Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting. The public body shall provide the officer,

appointee, employee with written notice of the executive session as is appropriate but not less than twenty-four hours for the officer, appointee, or employee to determine whether the discussion or consideration should occur at a public meeting.

Discussion for the purpose of considering employee wage adjustments based on an analysis of the Cost of Living and Consumer Price Index.

Mayor Coon stated if there is no discussion he will entertain a motion to adjourn into Executive Session. There was no discussion.

A motion to adjourn into Executive Session 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.

- **ADJOURNED INTO EXECUTIVE SESSION**

- **REGULAR MEETING CALLED BACK TO ORDER**

3. Discussion and possible action to adjust employee compensation based on an analysis of Cost of Living increases and the Consumer Price Index.

Mayor Coon asked if there is any discussion. There was no discussion and the Mayor entertained a motion.

A motion to increase Chancy Nutt’s salary 21.91% and increase Edie Chapin’s salary 17.23% with adjustments made automatically in the future based on CPI was made by Council Member McDaniel 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 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 up this portion of the meeting for public comment. There were no 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 McKinney
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 1st day of June 2021. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 3rd day of June 2021.

Eddie Chapin, Town Clerk