

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

**Tuesday, April 21, 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 Pastor Jimmy Esther of U-Turn for Christ
- 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 .

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

Captain Rick Heron of Hellsgate Fire District gave the report for March, 2015.

- **GILA COUNTY SHERIFF'S OFFICE REPORT FOR FEBRUARY AND MARCH, 2015.**

Lt. Tim Scott of the Gila County Sheriff's Office gave the report for February and March, 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 April 7, 2015.

B. Approval of Claims Payable from April 1, 2015 through April 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 Henderson.

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.

- **PROCLAMATIONS**

1. **Proclaiming the week of May 3 – 9, 2015 as Drinking Water Week**
2. **Proclaiming May 7, 2015 as the National Day of Prayer**

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

- **DISCUSSION ITEMS:**

1. **Discussion and possible action regarding Arizona Department of Highway issues pertaining to Star Valley, Arizona. Presentation by Alvin Stump and Kathy Boyle of the Arizona Department of Transportation.**

Kathy Boyle introduced herself as the Public Affairs Manager with the Arizona Department of Transportation (“ADOT”), and also introduced Alvin Stump as the District Engineer from ADOT’s Prescott office.

Ms. Boyle stated the focus of her presentation is to get people talking about transportation and what the future holds. Ms. Boyle explained how ADOT gets funded, and how ADOT impacts everyone’s life. Ms. Boyle pointed out ADOT is funded by gas tax and vehicle registration fees. These monies are put into the Highway User Fund, which is not growing. This results in the towns and cities not getting additional funds from the Highway User Revenue Fund. Ms. Boyle stated ADOT is very aware of the problems on Arizona roadways which need to be addressed, but the funding just is not available, so ADOT remains in a “preservation” mode. Ms. Boyle also explained the “Key Commerce Corridor,” which ADOT anticipates will bring in additional revenue and business to Arizona.

Alvin Stump reported he has received the request regarding extending the 45 mph speed limit to the Town limits, and that studies are being done on this request. Mr. Alvin stated he thought ADOT would have an answer by the end of the month.

Mr. Stump also reported the escape ramp and curb realignment in the Slate Creek area will be completed next month. However, the Lion Springs project has been pushed further back due to lack of funding. Vice-Mayor Binney asked if it would be possible to put in turn lanes in the Lion Springs area in the near future since it may be some time before the 4-lane project continues. Mr. Stump replied due to lack of funding this looked “bleak.”

Ms. Boyle encouraged Council Members to attend the State Transportation Board meeting which will be held in Payson during the month of July.

2. **First budget presentation and Public Hearing for FY 2015/2016. Presentation by Chancy Nutt, Financial Administrator, and Town Manager Grier.**

Finance Administrator Chancy Nutt presented “Financial Update & Budgeting FY ‘16”, a copy of which is attached to these minutes. Ms. Nutt explained that this meeting was the first of the required public hearings for consideration of the FY 2015/2016 budget, which fiscal year will cover July 1, 2015 to June 30, 2016. Ms. Nutt pointed out the Town’s budget is a “fully expensed line item budget.” This means that all revenue that comes in must have a correlating expense line item.

Ms. Nutt explained the budget process entails three public hearings – the first of which is this meeting; the second hearing will be to adopt the tentative budget; and the third hearing is to adopt the final budget. Ms. Nutt pointed out changes can be made between adopting the tentative budget and

adopting the final budget.

Ms. Nutt reviewed with the Council the various funds comprising the budget. Ms. Nutt also pointed out the difference between general funds and restricted funds. Ms. Nutt also provided updated a line item expense report for the Council's review (attached to these minutes).

Ms. Nutt stated the projected net revenue for Photo Safety Enforcement for FY2016 is \$279,600; the several CDBG grants are on track and will continue into 2016; the Highway User Revenue Fund ("HURF") can only be used for streets and roads projects, and the fund balance will be \$813,955. Another restricted fund is the Gila Road Tax which will have a fund balance of \$161,600; the Judicial Collections will have a fund balance of \$116,775, and these funds can only be used for court use; the Rainy Day Restricted Fund has a balance of \$600,000.

Ms. Nutt then addressed the General Fund; State Shared Revenues are expected to increase by \$14,346 over FY 2015; Local Sources Revenue are expected to increase by \$25,305, and pointed out that City sales tax is projected to increase by 2%, but AZDOR is implementing a collection fee effective July 1, 2015, which will offset the projected revenues in the sum of approximately \$4,900, building permits are expected to increase, and interest earned on Town CDs will start to come in at approximately \$32,000. Ms. Nutt stated the General Fund carry forward is anticipated to be \$3,005,568.

Ms. Nutt reported FY2015 expenditures were on track, and the FY2016 expenses are expected to be \$4,892,087, and the operating fund is expected to be \$885,072.

Ms. Nutt then discussed the Water Department and stated its revenue is down 8.8% for a \$15,155 deficit which she attributed to the main line hook-up and no increase in water customers as a result of that project. Ms. Nutt reported that two grants applied for were not received, but the Water Department did receive \$26,329 from Gila County. Ms. Nutt stated FY2016 operating revenue is expected to be \$157,600, and in addition grant monies. Water Department expenditures for FY2015 were \$34,993 under budget and it did not use any emergency funds. \$27,500 was spent on Capital Outlay Projects. Ms. Nutt stated FY2016 expenditures are expected to increase 28.7%. At present the Water Department's operation budget is in the red in the amount of \$34,096, and if this cost were to be passed on to the water customers a monthly water rate increase of \$7.90 per customer would be required. Capital Improvements for 2016 include source water exploration and possible leverage monies for CDBG grants.

3. Discussion and possible action regarding project selection and prioritization for the Town of Star Valley.

Vice-Mayor Binney stated his opinion that the Town had approximately \$325,000 still remaining in the 2014/2015 fiscal budget which can be spent on projects. Town Manager Grier replied that discussion has been held at recent meetings relating to various suggested projects as well as estimated costs, but that the status and cost of the Sprague Project and the cost of Welcome Signs are unknown. Without actual costs it will be difficult to determine the amount of money that can actually be spent on projects.

Town Manager Grier then addressed the issue of where the Council stands on the cash reserve position, which currently is \$2.6 million. Mr. Grier posed the question "What is that \$2.6 million number to you?" Mr. Grier asked if this was a number that the Council did not want to go under, and requested a show of hands of those who felt that way. Six Council Members raised their hands in support of this position, and Vice-Mayor Binney did not raise his hand. Mr. Grier cautioned that if the Council goes below the \$2.6 million number, then it would take 7 to 8 months to build this reserve back up and in the

meantime there would not be funds available for any projects.

Vice-Mayor Binney stated he believed the Council had authorized \$170,000 for the Sprague Crossing Project, and that \$23,000 has been spent on this project to date. Vice-Mayor Binney further stated he did not think the Sprague Crossing Project was going to proceed and therefore approximately an additional \$147,000 would be left in the budget and the Council needs to have a project to take the place of Sprague if it cannot proceed. Town Manager Grier stated that the Council needs to select the projects, and then he implements them. Council Member O'Connor stated due to information he has he does not think the Sprague Crossing Project will proceed after his conversation with Mr. VanSickle.

Steve Vincent, a member of the public audience, stated he and 4 or 5 homeowners from the Sprague area were at this meeting. Mr. Vincent stated he has had several conversations with Mr. VanSickle and is of the opinion that Mr. VanSickle is in agreement with the easement, but it is contingent on whether or not the Town will pave the road to the end of his property line. Mr. Vincent indicated he personally believes the Town should pave to the end of the property line.

Mayor McDaniel stated he personally does not want to see the project die, and that he has previously promised he would do everything he could to bring it to conclusion. Mayor McDaniel stated the cost of paving is approximately \$6,000. Mayor McDaniel further stated the original focus was to help people "get up that hill", and that he believes the project is necessary for the health and safety of the residents.

Council Member O'Connor stated he had talked to Mr. VanSickle within the last week and that Mr. VanSickle expressed concern over being able to access to down portion and the upper portion, and Mr. O'Connor reminded him that the focus of the project is the crossing, not the pavement. Council Member O'Connor indicated he believes Mr. VanSickle is going to stand on his position, and is not concerned over the other homeowners' response to his position.

Extensive discussion followed concerning exact of footage to pave; ownership of the road, which was determined to be the Town; whether the Council wants to pay for the paving of the road; liability; whether Mr. VanSickle would be satisfied with paving, or may require additional items such as drainage; sharing the cost of the paving with Mr. VanSickle; potential future meeting with Mr. VanSickle; timeline for decision from Mr. VanSickle; what precedent this would set for other roads in the Town; prior communication with Mr. VanSickle; that the homeowners don't want the entire road paved, just to the "dip"; and a review of the drawing provided by Steve Vincent (copy of which is attached to these minutes).

A motion that the Council pave the subject chunk of road was made by Council Member McKinney.

Discussion followed relating to the need for an agreement with Mr. VanSickle and how far to pave the road. There was no second and the motion did not proceed.

A motion that the Council pave the road from the end of the project to the end of VanSickle's property line, contingent on his agreement to complete Sprague Crossing was made by Council Member McKinney.

Further discussion followed relating to the necessary contract with Mr. VanSickle. There was no second and the motion did not proceed.

A motion that the Council pave the public road from the project boundary to the end of VanSickle's property, contingent on his acquiescence to the necessities of Sprague Crossing was made by Council Member McKinney.

Town Manager Grier suggested the Council give consideration to: (1) price tag; the need for an agreement with Mr. VanSickle; and that the project cannot proceed without the maintenance easement. Mr. Grier stated the motion needed to be clear as to the terms of what the Town would do, a price tag, and exactly what Mr. VanSickle's demands will be, which are unknown at this time. Mr. Grier recommended discussion with Mr. VanSickle to ascertain his position, and then determine what the price tag on that will be, and then Council can decide whether it wants to enter into a contractual agreement with Mr. VanSickle. Council Member McKinney withdrew his motion.

A motion that the Council authorize the Town Manager to enter into contract negotiations with Mr. VanSickle regarding his expectations, the Town's expectations, pending the outcome of the easement, and cost was made by Council Member Henderson, and was seconded by Council Member Hartwell.

The motion was voted on and passed 7 – 0.

Vice-Mayor Binney suggested the Council consider Moonlight Crossing and PW-1 and PW-2 as projects to be pursued. Town Manager Grier recommended the Council consider the following projects:

1. PW-1 and PW-2 – cost approximately \$100,000
2. Moonlight Crossing – approximately \$150,000
3. Bathrooms at Park – approximately \$60,000 to \$70,000
4. Welcome Signs – approximately \$35,000

Vice-Mayor Binney stated his belief that the Council has approximately \$325,000 to spend on projects and that he felt all of them should be undertaken. Town Manager Grier cautioned the Council to consider the timing of the recommended projects, as well as the actual amount of money available. Town Manager Grier stated he was in favor of moving forward on projects and the Council also needs to consider projects which require favorable weather before they can be undertaken. Town Manager Grier stated it would be wise for the Council to prioritize the projects.

A motion that the Council prioritize the following projects: (1) PW-2 and PW-1 project; (2) Park bathrooms; (3) Welcome Signs; and (4) Moonlight Crossing was made by Council Member Henderson, and was seconded by Vice-Mayor Binney.

The motion was voted on and passed 7 – 0.

Town Manager Grier stated he will provide the Council with more information on the monies available for the projects and a timeframe.

- **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.

John Hanna, 4 Saddleback, Star Valley, expressed his thanks to the Mayor, Council, and Town Manager for bringing ADOT to this meeting and addressing the extension of the 45 mph speed. Mr. Hanna expressed this is a dangerous area, there have been deaths there, and it is also an elk crossing. Mr. Hanna also suggested considering placing an "Elk" sign in this area.

Ray Tanner, 271 Sprague, Star Valley, thanked the Council for all the hard work it has put in.

Buck Tomerlin, resident of Star Valley, stated at the place where it is being proposed Sprague Road be

paved to, a time or two a truck has “spun-out.” Sherry Patterson, resident of Star Valley, confirmed they have had many vehicles spin out and it will be a lot safer to have the road paved to the top of the hill.

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 Coon, and was seconded by Council Member Mayor 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 21st day of April, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 30th day of April, 2015.

Lois V. Johnson, Town Clerk