

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

**Tuesday, July 7, 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 Dave Barber of Star Valley Baptist Church
- PLEDGE OF ALLEGIANCE
- ROLL CALL:

Mayor McDaniel X , Vice-Mayor Binney Excused Absence, Council Member Hartwell X , Council Member Henderson X , Council Member Coon X , Council Member McKinney X , Council Member O'Connor X .

Mayor McDaniel requested an update on Vice-Mayor Binney's condition. Town Manager Grier stated Mrs. Binney had informed Town Hall that Mr. Binney is out of ICU and in a regular room; that he is tired, but hopefully will be released from the hospital by the end of the week. Mr. Grier stated he would be going to visit him the next day and would bring him greetings from the Council. Mr. Grier stated this would constitute his five minute manager's report.

- **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 2, 2015.

B. Approval of Claims Payable from June 1, 2015 through June 30, 2015, 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 Excused Absence, 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 6 - 0.

- **DISCUSSION ITEMS:**

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

Town Manager Grier stated his report on Vice-Mayor Binney constituted his Town Manager's Report.

2. **Discussion and possible action concerning Resolution No. R 15-20 captioned as follows: A Resolution of the Town Council of the Town of Star Valley, Arizona approving and authorizing the Mayor to execute an Intergovernmental Agreement (IGA) between the Town of Star Valley and the State of Arizona Department of Revenue for the administration, collection, audit, and licensing of transaction privilege taxes, use taxes, severance taxes, jet fuel excise and use taxes and rental occupancy taxes imposed by the state, cities or towns.**

Town Manager Grier explained this IGA is not one the Town "has a choice on." It was introduced by former Governor Brewer as part of tax reform to create payment of sales taxes to one entity. Mr. Grier affirmed that the State would be paid for its role as collection agent. Council Member Henderson stated the only way to express dissatisfaction with this method is to write to the state representatives.

A motion that the Council adopt Resolution No. R 15-20 – A Resolution of the Town Council of the Town of Star Valley, Arizona, approving and authorizing the Mayor to execute an Intergovernmental Agreement (IGA) between the Town of Star Valley and the State of Arizona Department of Revenue for the administration, collection, audit, and licensing of transaction privilege taxes, use taxes, severance taxes, jet fuel excise and use taxes and rental occupancy taxes imposed by the state, cities or towns was made by Council Member, and was seconded by Council Member Hartwell.

The motion was voted on and the tally was 5 – 1.

A roll call vote was then taken:

Mayor McDaniel Yes, Vice-Mayor Binney Excused Absence, Council Member Hartwell Yes, Council Member Henderson Yes, Council Member Coon Yes, Council Member McKinney No, Council Member O'Connor Yes.

The motion passed 5 – 1.

3. **Discussion and possible action concerning Resolution No. R 15-21 captioned as follows: A Resolution of the Mayor and Council of the Town of Star Valley, Arizona, approving the change of control of the cable television franchise.**

Town Manager Grier stated this resolution was requested by Suddenlink due to a change in control of ownership of the company. Mr. Grier stated the Town does receive franchise fees from the company.

A motion that the Council adopt Resolution No. R 15-21 – A Resolution of the Mayor and Council of the Town of Star Valley, Arizona, Approving the Change of Control of the Cable Television Franchise was made by Council Member Henderson, and was seconded by Council Member Coon.

The motion was voted on and passed 6 – 0.

4. **Discussion and possible action concerning further action regarding the denial by WIFA of the Town's request for a grant, including authorizing the Town Manager to prepare written communication to Governor Doug Ducey.**

Town Manager Grier stated WIFA grants for engineering and design are available to the Town every two years. The Town was awarded a grant to obtain water mapping and a water master plan. The

water master plan identified various needs, including a back-up water supply. After the two year period passed, the Town submitted a second grant for planning and design to hook-up the Pw-1 and PW-2 wells to the Town's water system. WIFA notified the Town that this application was not going to be considered by WIFA on the grounds that the Town had already been awarded a grant for the same issue. Mr. Grier questioned WIFA on this finding, and was informed that WIFA felt that the need for a back-up water supply was identified in the water master plan and the second application stated the need was for a back-up water supply, thus the two applications concerned the same issue. Mr. Grier thought this finding was "absolutely absurd," since the purpose of the water master plan was to identify water needs. Mr. Grier concluded that if he followed WIFA's analysis correctly, the Town would never be able to apply for a WIFA grant which concerned water needs since these were identified in the water master plan. Mr. Grier presented his arguments to Melanie Ford at WIFA first, and then with Sandra Sutton, the Executive Director, who stated she planned to stand by her decision in this matter. Mr. Grier stated to the Council that it was his position the second application should be considered and that the conclusion "it was the same issue" was not a valid reason to be eliminated, and it should have been allowed to go to the second level where it would have competed with all the other applications. Mr. Grier stated if there had been other projects presented by other towns and cities, he would have understood the Town's application being rejected. However, the second application didn't even make it to that level.

Town Manager Grier stated Ms. Sutton, WIFA Executive Director, stated WIFA would stand by its decision. Mr. Grier then informed her that the Town would like to appeal this decision. It appeared no one had ever appealed a WIFA decision and Ms. Sutton had to research the appeal process and emailed the information to Mr. Grier. An appeal was submitted to WIFA, which was denied. Mr. Grier stated 95% of WIFA's basis of denial was centered around technical flaws, not based on merit. The majority of the response to the appeal related to "untimely" filing. Mr. Grier stated that WIFA's requirement that the appeal had to be submitted within 10 days purportedly did not mean 10 business days from WIFA's perspective. WIFA's appeal process letter was mailed on a Friday afternoon before a holiday, so the Town did not receive the letter until Tuesday afternoon, requiring the appeal to be on WIFA's desk within that 10 day period, thus allotting the Town only about a day and a half to get its request for an appeal in. Mr. Grier and Town Clerk Lois Johnson diligently worked on the appeal, but according to WIFA it was received one day late and in addition the appeal was only sent to WIFA and not to the second agency which they stated needed to receive a copy. Mr. Grier stated WIFA focused on these two technical flaws, and spent very little effort on the substance of the Town's appeal itself. Mr. Grier also stated WIFA's knee jerk reaction is that it would be willing to lend the Town money, but still would deny the second grant application.

Town Manager Grier stated the only recourse left is to present this issue to the Council and if the Council comes to the conclusion that WIFA is incorrect in its stance, then the Council will authorize the writing of a letter to Governor Ducey, signed by the Mayor and Council, requesting that he intervene and establish a sounder line of logic to review this situation.

Town Manager Grier informed the Council that Executive Director Sandra Sutton had attempted to call Mayor McDaniel this date to discuss this situation.

Council discussion followed, including whether or not other towns or cities have dealt with this issue, WIFA's lack of knowledge concerning its own appeal process, the seemingly lack of competence on the part of WIFA, and the Council's commitment to moving forward on this and not only sending a letter to the Governor, but also copy the Town's delegation in the Legislative District.

A motion that the Council direct the Mayor to send a letter to Governor Doug Ducey and the elected representatives regarding the bureaucratic nightmare that the Town's dealings with WIFA

have been, with the appropriate backup, and further that Council also sign this letter was made by Council Member Henderson, and was seconded by Council Member O'Connor. The motion was voted on and passed 6 – 0.

5. Fourth Quarter FY 2014/2015 Financial Report. Presentation by Finance Administrator Chancy Nutt.

Finance Administrator Nutt stated fiscal year 2014/2015 ended on June 30, 2015, and the Town's cash position was \$3.6 million on that date. Ms. Nutt pointed out some of the monies constitute "Obligated Funds", which consist of committed but uncompleted projects. These projects are Sprague crossing, Town Welcome Signs, and leverage funds for both CDBG 2 and 3. Ms. Nutt pointed out the Town has a working beginning fund balance of \$3,023,050. Ms. Nutt stated both the Town Manager and she are comfortable with this number as it gives enough of a reserve over the \$2.6 million reserve fund balance. Ms. Nutt stated the Council can now proceed into 2015/2016 and pursue the scheduled projects, and also do new projects as they are deemed necessary by the Council plus any emergency projects. Ms. Nutt stated the obligated funds projects are scheduled, with the Welcome Signs and Sprague Crossing hopefully to commence within the next month. Construction is about to begin on CDBG # 2, Quail Valley, and should be completed in three months. CDBG # 3 is a ways out, with the application due August 1, 2015. Ms. Nutt stated approximately \$52,000.00 is the anticipated monthly revenue (income less expenditures) for FY 2015/2016.

Town Manager Grier stated that the Council had previously decided it did not want to go below \$2.6 million to ensure financial insolvency for the Town, and from Ms. Nutt's report the Council can see that this figure has been maintained. Mr. Grier also pointed out a lot of projects were accomplished during FY 2014/2015, including many streets and roads projects, and have still maintained a sound financial position.

6. Discussion and possible action regarding establishment of a committee to assist Town staff in processing zoning compliance complaints.

Town Manager Grier stated Town Clerk Johnson had conceived the idea of forming a committee to deal with code compliance issues. Mr. Grier stated staff spends a lot of time dealing with these complaints, and staff is looking for a more efficient method of dealing with these complaints that will satisfy both parties. These complaints center around a party that is using their property in such a way that is in violation of the Town Code. The Town does not go out looking for violations, but rather acts on complaints that are filed with Town Hall. Mr. Grier pointed out that often complaints are made by one neighbor who does not get along with his neighbor. Mr. Grier pointed out the problem that the person being complained about also has property rights as does the party complaining, which causes conflict. These complaints revolve around unsightly kept property, too many horses in violation of Town Code, etc. If the issue cannot be resolved by Town Hall, it then proceeds to court for resolution by a judge.

Mr. Grier stated the idea is to form a committee of 2 or 3 Council Members, plus the Town Manager and Water Superintendent Rob Rippey to attempt to find a better means to approach code compliance and resolve these complaints. It is anticipated Council Members can serve as a "mediation group" that meets with the parties in an attempt to amicably resolve the issues. Mr. Grier pointed out that often there are no "easy answers."

In response to question from Council Member Hartwell, Town Manager Grier stated the manner in which complaints are handled is they are presented to the Town; Rob Rippey does a review of the property; contact is then made with the property owner in writing and sometimes the problem is cured at that point;

if not, then usually several communications are made with the property owner and ultimately a civil action is filed in court, and the judge can order a fine to be paid.

Council discussion followed concerning cost to the Town, whether or not Council Member would be effective members of the committee; indemnification of Council Members; that the term for the committee should be one year; and whether or not residents of Star Valley should be considered for the committee together with Council Members. Council Members O'Connor and McKinney stated they would be interested in serving on the committee.

A motion that the Council authorize the Town Manager to establish a committee to mediate code compliance issues, said committee to consist of 2 Council Members (initial Council Members to be Andy McKinney and Bob O'Connor), 1 staff member, and 1 community at-large member, for a term of one year was made by Council Member Henderson, and was seconded by Council Member Hartwell.

The motion was voted on and passed 6 – 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.

There were no public comments.

- **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 6 - 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 7th day of July, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 10th day of July, 2015.

Lois V. Johnson, Town Clerk