

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

**Tuesday, October 4, 2016 @ 6:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

- PRAYER was offered by Rev. Linda Wescott 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 September 20, 2016.

B. Approval of Claims Payable from September 16, 2016 through September 30, 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 Coon 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. Town Manager's Five Minute Report and possible discussion (not an action item).

Town Manager Grier stated the Town is continuing to do road maintenance, which averages about \$122,000 a year. This cost does not include the big projects, such as Sprague Crossing. According to Roy Haight, we do not have a pot hole in Town, stated Mr. Grier. The next project is a Town and bridge guard-rail in need of repair, located at the crossroads of Moonlight and Rainbow Roads. Mr. Grier reported that this will be contracted out with Arizona Highway Safety Specialists, Inc., at a cost of about \$3,100.00.

Mr. Grier reported Town staff continues to work on the Strategic and Capital Improvement Project Plans that will be presented at the December 6th Council Meeting. He believes this presentation will have more meaning, as the discussion will be focused on where the Town stands financially, through Fiscal Year 2019-2020. Finance Administrator Nutt, as well as the rest of Town staff, has been working diligently on these projects, stated Mr. Grier. Operations Supervisor Rob Rippey has had several meetings with Roy Haught to identify road projects. Mr. Grier asked Council to bring any perspective Capital Improvement Project ideas they may have to his attention. He explained the first presentation will be more of a brainstorming session, and Town staff will present four different project options, with price tags attached. Mr. Grier stated, Council will be given information as to what the budget will look like with the different projects chosen, and where the Town will be with its cash reserve. He believes it will be helpful to have a four year plan, and reminded Council to put some thought into Capital Improvement Project ideas.

Mr. Grier pointed out Finance Administrator Nutt will be attending the Council Meetings, as he has expanded her role in Town Hall. The yearly audit is scheduled to begin December 12, and the auditors will be at Town Hall for one week, reported Mr. Grier. Town Clerk Chapin was contacted by the Rim Astronomy Club regarding donations of a \$35,000-\$40,000 telescope and a \$50,000 dome to cover the telescope, reported Mr. Grier. The Rim Astronomy Club met at B. Diane McDaniel Park recently for a star gazing meeting. The Club believes this location will be a good site for the telescope, explained Mr. Grier, and a presentation regarding installation of the telescope and dome will be given at the next Council Meeting.

Mr. Grier stated Town staff is working on completing the purchase of the Lumberman Well, and with Council Member Henderson's help with CAG administration on FY2015 CDBG project, the staff is having somewhat more success working with CAG. Supervisor Marcanti has pledged to continue to help fund the Meals on Wheels, the Town has received a \$5,000 check in August, and will be receiving another check shortly. Mr. Grier suggested he would like to give Supervisor Marcanti recognition for helping with Meals on Wheels and various projects at the B. Diane McDaniel Park.

2. Discussion and possible action concerning the August 5, 2014 deannexation of Forest Service property to the Town of Payson (Ordinance No. O 14-02). Discussion to include whether or not to request the return of the deannexed land, now that it is not going to be used for the once proposed project by Payson.

Town Manager Grier stated the deannexation is sometimes misunderstood. The property the Town deannexed was Forest Service property, not the Fox Farm property, which is privately owned. Mr. Grier believes the Town of Payson did not accomplish having Gila County deannex the Fox Farm to them, and pointed out that the deannexed property is Forest Service property. The Town of Star Valley will not likely be able to develop it or fetch sales tax from the property, explained Mr. Grier. The deannexed land has a different value, and what value it has is up to Council to decide. Procedurally, Mr. Grier stated, the Town of Payson would have to grant, through their Council, the deannexation; basically a reversal of the process.

Council Member Henderson asked if the deannexed property was to be returned to the Town of Star Valley, and the road needed improvement, would the Town be responsible for that project. Mr. Grier replied yes, the Town would be responsible. The bigger question is what the Towns motive would be in having the deannexed land returned. The Town of Payson's motive, clarified Mr. Grier, was that it was simpler and cheaper to run the water line across Forest Service property. Council Member Henderson asked, should someone trade for the property through the Federal Land Exchange Program, and the Town does not annex the property, would the Forest Service and the County benefit. Mr. Grier responded that

Fox Farm is private property, and would never be a part of the Federal Land Exchange Program. He stated it is his understanding that the Forest Service has not been involved in the Federal Land Exchange Program for some time, but clarified that he does not have current information on this. Council Member Binney stated, at that time, with the ammunitions manufacturer coming to Town, he thought it was worth giving up the property. If former Council Member Dell Newman thought it was important, we should ask for it back, advocated Council Member Binney. Council Member Hartwell questioned the benefit it would be to the Town. Council Member Coon responded, he believes the reason the Town deannexed the property was due to a legality regarding annexation and jumping properties. I was against it, and still am, admitted Council Member Coon. If you hike the area, it is the prettiest land we have in Star Valley, and now that the Town of Payson is not going to use it, give it back, advocated Council Member Coon.

Council Member O'Connor stated the road and land of the deannexed property is 760 acres of Forest Service property. Council Member O'Connor asked what costs would be involved in the return of the deannexed property. Town Manager Grier reported, it was a complicated legal procedure, and there would be costs involved. The Town of Payson helps us in many ways, specifically with our building and water departments, and Council would have to decide whether the benefit of the return of the property would outweigh a compromised relationship with Payson, stated Mr. Grier. Mayor McDaniel asked what other benefits might there be for the Town. Mr. Grier responded he does not understand the motivation or the benefit the Town has. Not allowing Payson to run the water line might stagnant the possibility of the Fox Farm being developed commercially, and would be a detriment. According to Mr. Grier he does not see that the Town will be able to use Forest Service property for development. Mayor McDaniel stated that he believes that no matter what happens, the Forest Service would not release any of that land. Mr. Grier responded that the Forest Service does not have the ability to release property, and it would take a congressional act to do so. Mr. Grier reiterated he does not have current information on the status of the Federal Land Exchange Program.

Mayor McDaniel asked Town Manager Grier if there would be a hidden cost that the Town would be liable for. Mr. Grier conceded he does not have an answer – and reminded Council that Fox Farm is private land, and developed or not, the Town would not be affected. Mr. Grier stated he does not believe the Town would have the money to run a road or water to the property, and there would be no motive to do so as the Town would not have the incentive of sales tax. We are in a different position financially, compared to the Town of Payson, stated Mr. Grier. Council Member O'Connor recalled that when the Town of Payson approached the Town of Star Valley, their attitude on the deannexation was that they could do this with or without Star Valley. Council Member O'Connor stated he is not interested in the return of the deannexed property, and does not want to cause a rift between the two Towns. Council Member Binney commented he does not believe it will cause a problem with the Town of Payson, all they have to do is say no. The reason it was deannexed, stated Council Member Binney, is because the purchaser of the property requested it to be under the ownership of the Town of Payson. Council Member O'Connor stated it will still be a great hiking area, no matter who has the property.

Council Member Coon commented he does not think it will be a hostile move for the Town to pursue the return of the land. If the Town of Payson isn't going to use the land, and doesn't need it, then why not give it back, asked Council Member Coon, they can say no. Council Member Coon suggested it might be a good public relations move, as there are many Star Valley residents that did not like what the Town did. The Town could at least ask the Town of Payson to return the land, stated Council Member Coon.

A motion that the Council request the return of the deannexed Forest Service property from the Town of Payson, was made by Council Member Coon, and was seconded by Council Member Binney.

The motion was voted on and the tally was 4 – 3.

A roll call vote was then taken:

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

The motion was denied 4 – 3.

3. Presentation by Council Member Henderson, Town Council Liaison to Central Arizona Governments (“CAG”) regarding the status of her role as Liaison, and an update on the administration issues with the current CDBG Project.

Council Member Henderson disclosed she has mixed feelings about the administration and bureaucracy of CAG. Her impression of Ken Hall is that he is a big road project guy, and if a grant does not include a road project, he is not interested. Mr. Hall is very adept at finding a way to avoid confrontation and responsibility, commented Council Member Henderson. The Executive Council of CAG extended Mr. Hall’s contract for another two years, and requested he put structure in place, and to move into more of an administrative position, reported Council Member Henderson.

Council Member Henderson stated she has come away from her experience with more questions than answers. She has been told by a CAG staff member that not only does the Town need them, but the Town must be part of CAG to receive grant monies. Council Member Henderson finds that CAG needs to provide the Town a more proactive approach to deadlines, more transparency, and more accountability of their time. She gets the feeling there is some sort of fee schedule in place for services, and regardless of the time spent, they will charge us off that fee schedule. They are also looking actively for more money and discussing a menu of charges for each service, reported Council Member Henderson.

Council Member Henderson reported, in regards to the CDBG project, CAG has missed 3 deadlines. Most recently, a form was not completed correctly, and ADOH had to ask HUD for an extension. Council Member Henderson commented, she has a hard time understanding why CAG waits until the last minute to submit paperwork, which results in missing deadlines. Ken Hall assures her it is no big deal, and he does not see the Town losing the grant money, as CAG can file for an extension. Council Member Henderson pointed out it is not CAG or ADOH that gets a black mark by their name, it is the Town. This reflects poorly on Star Valley, and further impacts our ability to apply for competitive grants. Council Member Henderson believes if the staff were to handle grants in-house, we would know what we were doing, and meet the deadlines well before. Council Member Henderson reported this two year grant is going to take CAG four years to complete. She does not get a sense of urgency from CAG, and their response is they are handling numerous other grants.

Council Member Henderson has been looking for solutions and stated this will be the last grant CAG will administer for the Town. She does not know if other Towns have these same problems and does not know why we have to be part of CAG to receive grant money. Council Member Henderson disclosed she does not have a solution as to how to handle this dilemma. She has spoken to Ken Hall on two separate occasions, and is putting together an email to run by Town Manager Grier. Any ideas Council has she would welcome, stated Council Member Henderson. Council Member Hartwell questioned whether the Town could work with the Northern Arizona COG and would like to see us completely separated from CAG. Town Manager Grier stated he does not know if that is an option, and believes the Town has to be a member of CAG at a cost of \$1,300.00 a year. He agrees with Council Member Henderson, and as the Town Manager, he has the responsibility to fix it. Mr. Grier is confident Finance Administrator Nutt is capable of administering most of the grant. Mr. Grier reported Town staff went to ADOH requesting to administer our own grants. “Halfway through the meeting with ADOH, we

were shell shocked to find out that we were in jeopardy of losing \$240,000.00 in grant money for the Circle K project”, reported Mr. Grier. The Town has been fighting the fight for years, as long as he has been Town Manager. Mr. Grier conceded he didn’t believe in participating in management meetings, and was not interested in Council Member Henderson doing so either. He has since realized having a Council Member on the CAG Council made all of the difference in the world. Almost immediately staff started receiving daily contact from Alan Urban, and a response from Ken Hall, reported Mr. Grier. As Council Members, advocated Mr. Grier, you cannot discount the importance of becoming involved with these groups and having a voice. “This probably made the difference in whether we were defunded, or not, and if we are going to have an easier path moving forward”, stated Mr. Grier. In the future, he would encourage Council Members to become involved when the opportunity arises.

Mayor McDaniel questioned where the Town stands in regards to the \$240,000.00 in grant money. Town Manager Grier explained ADOH had to go to HUD in order to be granted an extension. The Town did not lose the grant money, and is waiting for the response period on the Environmental Review Analysis. The next step, reported Mr. Grier, is signing of the contract, which will allow us to start spending money. Once that is completed, explained Mr. Grier, the Town will be able to move forward with the request for qualifications with the engineers, and purchasing of the Circle K well from Roy Haught. Town Manager Grier stated the bottom line is the Town is in a better position now, and not in jeopardy of losing the grant money. Mayor McDaniel asked if the Town is going to be using the services of Woodson Engineering. “Yes, that is the plan”, replied Mr. Grier. “We do not plan on using CAG for the next project, and would like to see what we can do in-house”, stated Mr. Grier. Council Member Henderson agreed and recommended that the Town not allow CAG to administer another grant.

4. Discussion concerning the selection of the next Community Development Block Grant (“CDBG”) project in a low to moderate income area.

Town Manager Grier explained the staff will be able to start the process of the next Community Development Block Grant, which has to be in a low to moderate area. The Town’s project area is restricted by resident’s income, and will therefore require an income survey of the proposed project area. As soon as we can pick a project, stated Mr. Grier, then we can start with the process. Staff has spoken with Roy Haught about possible projects. One possibility is a drainage project. Mr. Grier reported the Town has completed several water projects, and now it makes sense to look at a road project. It is up to Council, pointed out Mr. Grier, to pick a project soon so we are not bumping up against deadlines. Town Manager Grier stated project ideas should be on the next Agenda. Mayor McDaniel suggested Council put some thought into coming up with project ideas.

Council Member Henderson asked if there is a menu of projects to choose from. Mr. Grier responded the only item on the menu so far is the drainage project. It is an issue and something the Town has not addressed, pointed out Mr. Grier. Council Member Coon asked if Council is supposed to come up with a list. Yes, responded Town Manager Grier, input would be very helpful. Council Member Henderson asked if ADOH has a list of weighted categories. Mr. Grier responded ADOH used to have a priority list, and he was recently informed they no longer do that.

5. Discussion and possible action to direct staff to move forward with the possible purchasing and installation of solar powered speed signs, recommended by ADOT, and any other discussion to address the increased speeds on the Hwy. 260 corridor, now that the photo enforcement cameras are turned off.

Council Member Henderson reported the Town of Coolidge installed the same type of speed signs that were paid for by a grant from the Arizona Governor’s Public Safety Program. “It would be worth

exploring, if it would save the Town a few pennies”, advocated Council Member Henderson. Council Member O’Connor reported his findings on the effectiveness of these particular speed signs. “They work very well in school zones, and private streets that have a controlled speed already. On open highways these signs are not as effective, and the percentage goes way down in effectiveness”, explained Council Member O’Connor. “Drivers tend to use them to gauge how fast they are going”, stated Council Member O’Connor. Council Member Coon responded the Town is in need of signage to draw attention, not necessarily signage that displays driving speed.

Mayor McDaniel clarified Council needs to direct staff in moving forward with what is available and what would be the best. Council Member Binney advocated the Town should look into other options. **A motion that the Council direct staff to move forward with the purchasing and installation of solar powered speed signs, was made by Council Member Binney, and was seconded by Council Member Coon.**

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.

Janet Dean, APS Community Affairs Manager, stated she wanted to remind Council about the Field Dedication this Friday at 9:45am at Rumsey Park in Payson.

Council Member McKinney stated he was approached by two different astronomers from the Rim Astronomy Club, who complimented him on how friendly, effective, and professional Town staff was during the Star Gazing event.

Town Manager Grier gave his thanks for the recognition and stated the telescope in the park will be a wonderful project, if the project comes to fruition.

There were no further public comments, and the Mayor closed this portion of the meeting.

• **ADJOURNMENT**

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

The motion was voted on and passed 7 - 0.

APPROVED:

Ronnie O. McDaniel, 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 4th day of October, 2016. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 14th day of October, 2016.

Eddie Chapin, Town Clerk