

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

**Tuesday, June 6, 2017 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 Lois Johnson of Crossroads Foursquare Church
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER

- ROLL CALL:

Mayor McDaniel X , Vice Mayor O'Connor X , Council Member Hartwell X , Council Member Coon X , Council Member McKinney X , Council Member Davis X , Council Member Stephenson X .

- **GILA COUNTY SHERIFF'S OFFICE REPORT FOR MAY 2017**

Lt. Tim Scott of the Gila County Sheriff's Office gave the report for May 2017.

- **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 2, 2017; the Special Work Study Meeting held on May 12, 2017; and the Special Council Meeting held on May 23, 2017.

B. Approval of Claims Payable from May 1, 2017 through May 31, 2017 for the General Fund and for the Water Department.

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

A roll call vote was taken:

Mayor McDaniel X , Vice Mayor O'Connor X , Council Member Hartwell X , Council Member Coon X , Council Member McKinney X , Council Member Davis X . Council Member Stephenson X .

The motion was voted on and passed 7 - 0.

- **DISCUSSION ITEMS:**

1. **Presentation by Mayor McDaniel recognizing Rim Country Middle School teacher Ginger Liddell and the students of the Leadership Class for trash clean up and removal in Star Valley.**

Mayor McDaniel presented Ginger Liddell with the Certificate of Recognition and thanked her for the effort that her and her students have given toward the cleanup of Star Valley. Ms. Liddell stated she appreciates the recognition and thanked the Mayor and Council.

2. **Town Manager's Five Minute Report and possible discussion (not an action item).**

Town Manager Grier stated he would like to give Council an update as to the status of the four year plan and what has been accomplished to date. Water meter replacement has begun, and meters will continue to be changed out on a staggered basis throughout the next four years. The website design has been launched, giving the Town a new look - it will be an ongoing project with the goal of a more user friendly site. Mr. Grier reported that the park landscaping is about 95% complete; irrigation lines have been installed throughout most of the park; trees and grass have been planted; and flowers will be planted by the memorial bench. Pointed out Mr. Grier, it turned into a bigger and more expensive project than initially thought.

Town Manager Grier reported that the Speed Display Signs have been installed, and they will be one step in slowing the traffic for the safety of the community. Mr. Grier informed Council that a letter has been drafted by Council Member McKinney requesting ADOT to put a message on the overhead sign to read "Approaching Business Area – Reduced Speed Ahead." Mr. Grier pointed out that ADOT will be present at the Rumsey Park cookout on June 15 at 5:00pm that Council and staff have been invited to and suggested it may be a good platform to see who we can talk to about getting our message on the overhead sign. Mr. Grier stated he believed this would be a good step in keeping the highway safe. Mr. Grier reported that the Lumberman's Well connection is back on budget, as Rick Engineering will do the project for \$5,000.00. The park Fitness Trail equipment has been ordered, and participants of the trail head group have been working on development strategy with the Forest Service. Reported Mr. Grier, the Valley Road widening project is complete; Flint Road Culvert Adjustment will be done this week; and the Moonlight project will be done in the next two weeks. Concluded Mr. Grier, we have done very well in being able to start and complete almost all of the projects that Council has identified for fiscal year 2016-2017 and into fiscal year 2017-2018. Council Member McKinney stated he is concerned about the water meter replacement project being under funded. Mr. Grier explained that the budget for water meter replacement is modest because the Town had replaced water meters about 3 or 4 years ago at a cost of around \$30,000.00.

3. **Public hearing, discussion and possible action to adopt Resolution No. R 17-04 – 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 2017/2018. Presentation by Finance Administrator Chancy Nutt and Town Manager Tim Grier.**

Finance Administrator Nutt explained the information in the Council packets is the tentative budget for fiscal year 2017/2018, the changes that have occurred throughout the 2016/2017 fiscal year will be covered in it, as well as projections for the 2017/2018 fiscal year. The meeting this evening, and adoption of Resolution No. R 17-04 fulfills the statutory requirements that she is presenting to Council for consideration, discussion and possible adoption of a balanced tentative budget for fiscal year 2017/2018. A tentative budget approves individual fund expenditure limits, and while monies can be moved within the funds, they cannot exceed the limits set forth tonight. While this presentation satisfies statutory requirements, it provides a venue for the public to participate in the budget process and allows Council to discuss specific budget points, and gives staff an opportunity to address changes and discuss capital improvement projects. If Council approves the tentative budget this evening, reported Ms. Nutt, "Schedule A" will be published in the newspaper, as well as an announcement for the adoption of the final budget at the June 20th meeting. If Council moves to adopt the final budget at that meeting, "Schedule A" will again be published, for two consecutive weeks, in the Roundup, as well as published on the Town website. After which it will be sent in its entirety to the auditor general's office.

The budget process provides clarity, explained Ms. Nutt, and ensures understanding of where the Town is financially, and that we are moving into a new fiscal year in a unified way. It is one of several tools that we use throughout the year to depict our values and priorities to the community. Our annual budget provides the financial structure for operations, improvements and services. Reported Ms. Nutt, this budget was drafted on the decisions Council made in the four year budget strategy meeting, as well as the changes in funding sources and expenditures. Tonight's meeting is a public hearing and will be open to the public at an appropriate time for comment. Once the public hearing portion of the tentative budget is closed, the Mayor will call for a roll call vote to approve Resolution No. R 17-04.

Ms. Nutt explained that the strategic plan gives the Town a long range understanding of its finances and goals, and that it is not the same as the annual budget. The annual budget is a required detailed document, while strategic planning documents are for internal management and planning purposes. The budget sets forth fund limits, where a strategic plan sets priorities. The budget is a formula, stated Ms. Nutt, we begin with our reserves or our beginning fund balance, implement any expected revenues, take out operational expenditures and project funding, and we have our projected end of year fund. Our budget plans for emergencies through a rainy day fund as well as unexpected projects and maintenance expenses through contingency funds. The tentative budget adopts limits by fund, and the Town has three funds – the general fund, a restricted fund and an enterprise fund. Explained Ms. Nutt, the general fund maintains the Town's administration; donations; Meals on Wheels/Ridership Programs; planning, zoning & building; council; law enforcement; and animal control. It is supported through state shared revenues, city sales tax, permits & licensing, court fees & fines, as well as grants. The restricted fund is our HURF and street funds for maintenance and capital improvement projects and is supported through the HURF state shared revenues, as well as the Gila County excise tax. The enterprise fund, which is the water fund, is for the operation and new source development of the water department – supported through grants, fund balance and water billing.

Reported Ms. Nutt, the fiscal year 2017/2018 budget funding source is made of state shared revenues of the general and HURF funds, local tax and fine collection, restricted county excise tax, water service billing, and grants. The operational fund budget is \$2,463,237.00 for fiscal year 2017/2018. In the general fund, state shared funds are up \$36,000.00 and the building department is projected to come in \$8,000.00 over what was originally budgeted for 2017, increasing the trend in building for the second year in a row. Ms. Nutt stated that court fines collected were higher than originally budgeted for 2017, with a revised budget of \$381,000.00 gross. The Town is projecting fine collection at \$10,000.00 gross in the fiscal year 2018, as the cameras have been off for ten months, and most fines have been settled or are

considered uncollectable for fiscal year 2018. The restricted state shared HURF revenues have increased \$14,800.00 or 5.8% in fiscal year 2018 over fiscal year 2017. Funds continue to steady for the water department service billing. Grant activity has increased with CDBG funding running simultaneously, and Town Clerk Chapin's pursuit of Prop 202 and other funding sources. The operational revenues proposed budget for 2017/2018 is 2% less than 2016/2017, when photo enforcement was less predictable. Otherwise, stated Ms. Nutt, we have strong gains in each funding source with an estimated 8% increase in major funding sources for the general fund; an estimated increase of 5.8% in restricted funds; and an increase of 3% in water service billing. The Arizona Department of Revenue has been collecting for the Town since fiscal year 2015, and the Town has collected \$42,000.00 in taxes from non-recording entities through this process. We are expecting the 2% increase in local tax trends to continue with fiscal year 2017/2018 budget, which has a budget of \$301,000.00.

Ms. Nutt explained that the tentative budget also accounts for budget activities. Council Member Stephenson and Town Clerk Chapin have worked together to modernize how the Town solicits Arizona Tribes for Prop 202 grant funds. Together they have sent funding requests for Town Park playground equipment, and law enforcement support. Reported Ms. Nutt, the Circle K Well site has been approved for purchase, the documents are being drawn up, Rick Engineering has begun to design the project, and bid packs will be ready for release to contractors in July. The fiscal year 2017/2018 budget provides for an estimated \$35,000.00 in leverage funds for that project. The PW1 and PW2 CDBG project is underway with utility easement signatures on the Mylar map being obtained and filed. The Town staff is moving forward with self managing the CDBG fiscal year 2017 project. With Town Clerk Chapin's excellent work on the grants thus far, and the expert guidance from Council Member Stephenson, the Town has budgeted for \$200,000.00 in potential grant monies.

Reported Ms. Nutt, revisions to the open fiscal year ending June 2017 provides an updated fiscal position as we move into fiscal year 2017/2018 beginning July 1st. Some projects and operational expenditures for 2017 will end below estimate; others a bit above, still others will roll into fiscal year 2017/2018 budget as time lines are adjusted. Priority management and inter-agency delays have slowed the time scale for some capital projects, such as the hiking trail. However, stated Ms. Nutt, Roy Haught has been able to move forward with capital improvement projects such as the widening of Valley and Flint Roads. Projects such as meter replacement and park development have taken a different time table than originally assessed, increasing park development, but delaying meter change out. The end of year balance has been adjusted to reflect these estimated expense line item adjustments. The change in the projected fiscal year spending has cascading effects, and the fund balance moving into fiscal year 2017/2018 has been adjusted. Explained Ms. Nutt, by monitoring project budget throughout the fiscal year, management can take action to insure project success, or present adjustments to Council if corrective measures are necessary. Priority projects have been suggested in this tentative budget for Council review and the Town Manager would like to discuss the last few items listed in this update.

Town Manager Grier pointed out that Council chose the four year plan that was the most aggressive and provided the most services. Stated Mr. Grier, it's a good working tool to look at the four year plan and the budget, to see where the Town is at, and where it is going to end up each year. We also recognize that as projects are accomplished, a maintenance plan in the budget needs to be created. At this point, stated Mr. Grier, we are looking at a budget that is very sound, and the thinking is that maybe we need to add projects. The Town of Star Valley has zero debt, so when looking at our fund balance coming in at four million dollars, fiscally speaking we are doing great. The Town will still be able to stay within the parameters of where it wants to go fiscally and the services it wants to provide. Staff is looking into installing an automated gate at the park entrance, as we have been having issues with consistent opening and closing. Mr. Grier also stated that it is time for Council to discuss the community garden project, and

that these projects will come back to Council for discussion, as they exceed the \$5,000.00 spending limit authority.

Finance Administrator Nutt explained that the All Fund Summary is a review of the projected operating revenues and expenditures for fiscal year 2017/2018. The priority projects set by Council in the four year strategic plan, additional capital projects identified by staff, and potential grant activities are all included. This will be our final budget with a total expenditure of \$6,790,432.00. Ms. Nutt stated she would be happy to discuss any specific line items or provide additional information to Council, and requested adoption of the tentative budget for fiscal year 2017/2018 through Resolution No. R 17-04. Mayor McDaniel asked if Council had any questions. Council Member Davis complimented staff and the Town Manager for doing such a great job putting this budget together and explaining it in a very understandable manner.

Mayor McDaniel opened up the discussion for public comment. Doug Art, visiting at the invitation of Council Member Hartwell, stated he has personal experience in Star Valley, as his wife received tickets from the speed cameras. Mr. Art jokingly commented that he thought about getting a refund after the cameras were removed. Mr. Art explained that since putting an RV on Oxbow Lane, he has really understood the predicament that Star Valley and Payson are in, and that every time he pulls out from Oxbow on to the Beeline Highway, he feels he is taking his life in his hands. Mr. Art stated that this traffic situation is a notoriously serious issue, which the Town can't do a whole lot about, until DPS starts enforcing the law, and that he is fully in support of traffic lights and would like to suggest the Town work with ADOT to put in a traffic signal. Mr. Art thanked Council Member Hartwell for the invite. There were no further public comments and Mayor McDaniel closed this portion of the hearing.

A motion that Council adopts Resolution No. R 17-04, 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 2017/2018 was made by Council Member Stephenson, and was seconded by Council Member Davis.

A roll call vote was taken:

Mayor McDaniel X, Vice Mayor O'Connor X, Council Member Hartwell X, Council Member Coon X, Council Member McKinney X, Council Member Davis X. Council Member Stephenson X.

The motion was voted on and passed 7 – 0.

4. Discussion and possible action regarding attendance at the 2017 League of Arizona Cities and Towns Annual Conference (August 22-25, 2017 in Tucson), including which Council Members are attending and expenses to be paid by the Town.

Mayor McDaniel took a poll of the Council Members that would be attending: Council Member Coon, Council Member Davis, Council Member Hartwell, and Council Member McKinney all stated they would be attending. Those not attending are Mayor McDaniel, Vice Mayor Bob O'Connor and Council Member Stephenson. Town Manager Grier stated the Annual Conference is an excellent opportunity for Council to network, and encouraged Council Members to travel together in order to mitigate costs. Council Member Hartwell stated she has attended every year since becoming a Council Member and that she has always learned something, and advocated attendance.

- **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.

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

- **ADJOURNMENT**

A motion to adjourn the meeting was made by Council Member Hartwell, and was seconded by Council Member Davis.

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 6th day of June, 2017. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 8th day of June, 2017.

Eddie Chapin, Town Clerk