

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

**Tuesday, January 16, 2018 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 Pastor Dave Barber of Rim View Community Church.
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER

- ROLL CALL:

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

- **HELLSGATE FIRE DISTRICT REPORT FOR DECEMBER 2017**

Chief John Wisner of Hellsgate Fire District gave the report for December 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 December 5, 2017.

B. Approval of Claims Payable from December 1, 2017 through December 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 Davis, and was seconded by Council Member Stephenson.

A roll call vote was taken:

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

The motion was voted on and passed 6 - 0.

- **DISCUSSION ITEMS:**

1. **Discussion and possible action to appoint Jason Vagalatos to the Planning & Zoning Commission.**

Town Manager Grier explained that Mr. Vagalatos was a member of the Planning & Zoning Commission some years ago and has expressed an interest in becoming involved again. He would be a great asset, advocated Mr. Grier. Council Member Davis stated he has known Mr. Vagalatos for many years and highly recommends his appointment. Vice Mayor O'Connor stated he struggles with appointing someone to a position who is not in attendance. Mr. Grier apologized that it was his error in not recommending to Mr. Vagalatos that he attend the council meeting, and asked Council to consider his appointment.

A motion to appoint Jason Vagalatos as a member of the Star Valley Planning & Zoning Commission for a term of four years was made by Council Member Davis, and was seconded by Council Member Stephenson.

A roll call vote was taken:

Mayor McDaniel Yes, Vice Mayor O'Connor No, Council Member Coon Yes, Council Member McKinney Yes, Council Member Davis Yes, Council Member Stephenson Yes.

The motion was voted on and passed 5 – 1.

2. **Discussion and possible action to adopt Resolution No. R 18-03 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, approving and adopting an investment policy for the Town of Star Valley, Arizona.**

Town Manager Grier stated the investment policy came about from a discussion at a past council meeting in which Council Member McKinney asked if the Town is fully invested in interest bearing accounts. The laddered CD's have worked very well for the Town, reported Mr. Grier. The Town's investment strategy needs to be fiscally conservative, pointed out Mr. Grier, as required by state statute. Mr. Grier explained that he drafted the investment policy to avoid having to come to Council every time to move money from the General Account to the CD's. The investment policy boils down to a guide in which the Town invests conservatively in investment vehicles such as CD's, and gives authority for the Town Manager and Finance Administrator, in tandem, to exercise moving money. Mr. Grier then recommended Council pass the Resolution to adopt the investment policy. Council Member Stephenson stated he reviewed the policy, and questioned a reference regarding an Investment Committee. Mr. Grier answered it would give the Town the option of an Investment Committee. Council Member McKinney asked about the return for 2017 of 1.6 and if that is net of expenses. Finance Administrator Nutt responded the Town does not have account maintenance fees with Stifel and that is in fact the return on investment.

Council Member Stephenson questioned the 'Alternative Sample Language' on Page 5 and the 'Alternative Samples' on Page 7 of the policy. Mr. Grier explained Page 5 was left blank, so it would be open to the Town, and Page 7 is a diversification sample. The Town has opted for CD's that are all FDIC insured, giving us the security that any diversification would as well, stated Mr. Grier. Council Member Stephenson stated he would feel comfortable recommending approval of the policy with some editing and minor changes. Mr. Grier stated he would welcome Council Member Stephenson's wisdom, reporting the Town has about 1 million dollars to put in CD's, and hates the idea of it sitting in a non-interest-bearing account. Discussion followed concerning a suggested motion. Council Member Coon asked how often Council would receive a report. As referenced in the policy, responded Mr. Grier, it would be a quarterly

report. More discussion followed concerning a suggested motion. Council Member Stephenson clarified his comments and suggestions to the edits are minor, but necessary.

A motion to adopt Resolution No. R 18-03 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, approving and adopting an investment policy for the Town of Star Valley, Arizona, as presented, with minor edits, was made by Council Member Stephenson.

Council Member McKinney disclosed he is not comfortable voting for language that will be edited, and does not believe there will be a problem tabling the Resolution until the next council meeting. Vice Mayor O'Connor disclosed he too struggles with voting for something that will be edited.

Council Member Stephenson withdrew his motion and a motion to table Resolution No. R 18-03 to the next council meeting of February 6, 2018 was made by Council Member Davis and was seconded by Council Member Coon.

The motion was voted on and passed 6 – 0.

3. Discussion and possible action to allow the Town Manager to consider the purchase of Caselle software with an approximate expenditure of \$25,000.00 for financial, document management and asset control software.

Town Manager Grier explained the Town has not addressed upgrading Caselle software, and his concern is that it will become a formidable expense if the necessary upgrades aren't done. It is important, necessary, and something he supports, stated Mr. Grier. Ms. Nutt pointed out to Council that the information included in the packet is an outline of the Software and Services Proposal by Caselle, who is the Town's current financial software provider. The software will provide tracking and recording for government wide operations to a central system that is not strictly financial, although most of it is finance driven, explained Ms. Nutt. And, reported Ms. Nutt, it will provide tracking of current resources as well as capital assets. Furthermore, it provides an opportunity to do document tracking on an image level that the Town can't access financially in another software – allowing much more sophistication with our document management program, pointed out Ms. Nutt. The current system is fractured across multiple systems, with the financial software currently utilized as being the software the Town originally purchased when it incorporated some 12 years ago. Ms. Nutt reported the software will be four different systems that will address four different points within the Town, and upgrade the current financial operating systems. What's driving it before Council is the fact that the Town will have a credit of \$3,200.00 applied if it goes forward with the purchase prior to the deadline, stated Ms. Nutt.

Town Manager Grier pointed out that if the software is not purchased in a matter of days, the Town will miss out on the \$3,200.00 credit. Vice Mayor O'Connor questioned the Software Assurance increase of \$452.00 per month. Ms. Nutt responded that amount is the monthly service fee, which is selective and includes technical support, staff support with operating issues, training, and upgrades to the system. Ms. Nutt recommended the Town could save some money and pay for one-time services or one-time upgrades as necessary on a case by case basis. The \$452.00 is an optional all-inclusive package, extended warranty so to speak, explained Ms. Nutt. Mr. Grier pointed out to Council that the software update costs were incorporated in the budget, and that the Town is in a sound fiscal position. Mayor McDaniel asked Ms. Nutt if she could guesstimate into the future what this upgrade would do for the Town. Ms. Nutt responded that currently the Town is on independent, unassociated and fractured systems. Centralizing the activity would streamline the financial statements; improve the ability to track assets and grant activities; and improve operations across Town Hall as well as document retention. Council Member Davis asked Ms. Nutt to clarify the '365 meters or customers are included' on Page 3.

Ms. Nutt clarified that it pertains to the utility management portion of the software and that Caselle built in the price based on the number of current active accounts we have.

Council Member Stephenson questioned the amount the Town is currently spending for billing service. Ms. Nutt reported the Town processes billing in-house and utilizes another water software that was a one-time cost purchase over five years ago. That software is very basic, inexpensive, and has served its use. Although there is no continued cost of operation with the five-year old software, disclosed Ms. Nutt, there is also no ability to upgrade or modify anything in it. It is very limited in that it does not report directly to the General Ledger, which is done manually, creating an opportunity for error. Council Member Davis stated it is critical to stay on top of the cutting edge and although it is a large sum, he would support the motion to pass the purchase. Ms. Nutt stated the upgrade will be a big improvement for the Town and does not believe another upgrade will be needed for quite some time, especially with continued maintenance. Mr. Grier added that better tools provide existing employees more efficiency with their work load, and as Town Manager he has the responsibility to provide staff the proper tools. When looking at the potential future cost, pointed out Mr. Grier, it will save the Town money. Council Member Stephenson stated he is impressed that staff has utilized the same software for such a long time and understands the necessity. Council Member Coon questioned if this is considered an upgrade or brand-new software. Ms. Nutt answered it is both an upgrade to a newer version, and an increase in the modules. Council Member Coon then asked Ms. Nutt if she had researched other software company pricing. Ms. Nutt answered she did research other document imaging software, which is extremely expensive. This is the first software that addressed the Town's need at an affordable price, stated Ms. Nutt.

A motion to allow the Town Manager to approve the approximate expenditure of \$25,000.00 for the financial, document management and asset control software was made by Council Member Davis, and was seconded by Council Member Coon.

The motion was voted on and passed 6 – 0.

4. Discussion and possible action to adopt Resolution No. R. 18-01 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, re-appointing Ronnie O. McDaniel as a Director to the Rim Country Educational Alliance separate legal entity for an additional three-year term.

Council Member Stephenson thanked the Mayor for serving on the committee and stated he is pleased to support the re-appointment. Mayor McDaniel stated Payson is in desperate need of a college and believes a college will support the tax revenue. He is hopeful, and the committee is looking at whatever college steps up, stated Mayor McDaniel.

A motion to adopt Resolution No. R. 18-01 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, re-appointing Ronnie O. McDaniel as a Director to the Rim Country Educational Alliance Separate Legal Entity for an additional three-year term was made by Council Member Davis, and was seconded by Council Member Stephenson.

A roll call vote was taken:

Mayor McDaniel Abstained, Vice Mayor O'Connor Yes, Council Member Coon Yes, Council Member McKinney Yes, Council Member Davis Yes, Council Member Stephenson Yes.

The motion was voted on and passed 5 - 0.

5. **Discussion and possible action to adopt Resolution No. R 18-02 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, amending the designation of those individuals authorized to sign checks for the Town and superseding all previous resolutions.**

Town Manager Grier explained this is a necessary housekeeping resolution to remove former Council Members Binney and Henderson as signers on the account. Council Member Coon suggested Former Council Member Hartwell be added. Adopt with change and remove former Council Member Hartwell.

A motion to adopt with change (removal of former Council Member Hartwell) Resolution No. R 18-02 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, amending the designation of those individuals authorized to sign checks for the Town and superseding all previous resolutions was made by Council Member Stephenson, and was seconded by Council Member Davis.

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.

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 Davis, and was seconded by Council Member O'Connor.

The motion was voted on and passed 6 – 0.

APPROVED:

Ronnie O. McDaniel, Mayor

Date: _____

ATTEST:

Edie 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 16th day of January 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 18th day of January 2018.

Edie Chapin, Town Clerk