

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

**Tuesday, January 15, 2019 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 Rev. Carl Peterson of Payson United Methodist Church.
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER

- ROLL CALL:

Mayor McDaniel   X  , Vice Mayor Coon   X  , Council Member McKinney   X  , Council Member Davis   X  , Council Member Armington   X  , Council Member Binney   X  , Council Member Rappaport   X  .

- **HELLSGATE FIRE DISTRICT REPORTS FOR NOVEMBER AND DECEMBER 2018**

Chief John Wisner of Hellsgate Fire District gave the reports for November and December 2018.

- **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 4, 2018.**

**B. Approval of Claims Payable from December 1, 2018 through January 15, 2019 for the General Fund and for the Water Department.**

A motion to approve consent agenda items A and B was made by Council Member Armington and was seconded by Council Member Binney.

A roll call vote was taken:

Mayor McDaniel   X  , Vice Mayor Coon   X  , Council Member McKinney   X  , Council Member Davis   X  , Council Member Armington   X  , Council Member Binney   X  , Council Member Rappaport   X  .

The motion was voted on and passed 7 - 0.

- **DISCUSSION ITEMS:**

- 1. Budget presentation by Finance Administrator Chancy Nutt and Town Manager Timothy Grier to discuss Star Valley's current financial position, proposed budget and future planning. Discussion will include staff recommendation of projects in the coming years, fiscal philosophy of the town manager and the current management model. Discussion item only.**

Finance Administrator Nutt stated she is presenting the revised budget for fiscal year 2018-2019 and a proposed operating budget for fiscal years 2019-2020 through 2021-2022 and that she and the Town Manager have also prepared a capital project list to continue improving the Town assets and meeting the needs of the citizens. Ms. Nutt explained the structure of the financial budget is based on revenues collected and previous year savings called beginning fund balance. The expense of personnel, operations and capital improvements must balance with previous and current revenues to be funded. The Town relies on local collections as well as state shared revenues and grants. Within the Town's annual budget are the operating funds for general purpose operations and administration – called the General Fund, the restricted roads fund for streets and roads operations, the restricted court fund for operations related to the magistrate court, and the water enterprise fund that provides water services to the Town's customers. Each fund has departments, each with correlating revenues and expenditures to provide citizens with service and perform Town functions.

In the 2018-2019 fiscal year budget, reported Ms. Nutt, she has provided a revised position of the projections for the end of year collection of revenues as well as projected expenditures. The collection of revenues is just 1.5% under estimations for the year and expenditures are 17% under the allocations for personnel, operations, and capital projects. General Fund revenues are on target to receive \$1,168,000.00 for fiscal year 2018-2019 with a few short falls. The state shared sales tax is 4% under their projections, but APS franchise taxes have gained 12%. The magistrate court has collected 7% less in fines as expected as court activities declined. Overall the projected budget is 1% less than the presented and adopted budget. Expenditures for fiscal year 2018-2019 are 17% below expected as the Town does not anticipate expenditures for special legal and engineering which is provided for in the adopted budget. The General Fund revenue also accounts for changes in the Town's purchase service agreements that will occur in the open year as indicated with the Beeline Bus and also in fiscal year 2019-2020 – the largest being the last increase of the Law Enforcement Intergovernmental Agreement. The ending fund balance for fiscal year 2018-2019 is \$3.9 million in the General Fund.

Ms. Nutt reported that the restricted road funds are meeting expected revenues and expenditures as operations and project plans are revised and anticipates an end-of-year fund balance of \$899,000.00 for fiscal year 2018-2019. The water enterprise fund has seen the most activity this fiscal year with the beginning of the CDBG #124-18 Sky Run Wells Development and Connection grant. The Town has received the project bids and has built in the necessary leverage funds to see the project completed. Our collection of water revenues continued to meet our trending expectations. We again used a conservative approach to project the funds health in fiscal years 2019-2020 through 2021-2022. As the fund begins to reflect the change in personnel and management model the fund budget will begin operating in the black in fiscal years 2019-2020 through 2021-2022.

Town Manager Grier explained that council will decide the direction for the Capital Improvement projects. Staff takes projects that are current, and that council may approve, and start to build those into the budget as possible expenditures. Mr. Grier quickly went through the general fund projects of the Town park swing and slide, the Town corridor street light project, continued website design and development and Town Hall remodel. Mr. Grier explained the Annual Road Preservation Project is what the Town sets aside to do general maintenance on the streets and roads and that he has been looking at

systematically going through the Town and paving some of the roads. The project he first identified for new surfacing is Mountain View, Switchman, Pinon and the first part of Highline Dr. Mr. Grier suggested the Town take sections of roads for the next four or five budget years, on a priority basis, and repave the roads in Star Valley. The Moonlight guardrail system and town-wide street sign replacement as the signs fade are other projects to be done reported Mr. Grier. Meter replacement is on-going stated Mr. Grier and he quickly went through the other Water Enterprise projects of the Circle K Well Site improvements, the Lumberman's Well Connection, system wide tank cleaning and looking ahead to possible improvements of storage tanks at the Circle K Well site. These are the projects that we have on the table now for council to consider stated Mr. Grier.

**2. Discussion and possible action regarding purchasing additional playground equipment from AAA State of Play for the B. Diane McDaniel Community Park.**

Town Manager Grier explained that staff has researched equipment for the empty section of the playground and believes a good addition to the Town park would be a slide and swing-set. The empty area can be filled in with the additional playground equipment, a border and wood chips for approximately \$12,000.00 reported Mr. Grier. Council Member Davis stated the Town park gets a lot of use and his young grandkids love the playground equipment. It would be a great addition just to enhance the park advocated Council Member Davis. Council Member Binney asked if there will be room for a zip line. Town Manager Grier answered we can find the room somewhere for a zip line if that is what council decides. Council Member Armington asked if the playground equipment will be welded in place. Mr. Grier responded it is secured in place.

**A motion to approve the purchase and installation of additional playground equipment from AAA State of Play at the estimated cost of \$12,000.00 for the B. Diane McDaniel Community Park was made by Council Member Davis and was seconded by Council Member Armington.**

**The motion was voted on and passed 7 – 0.**

**3. Discussion and possible action regarding selection of a contractor for CDBG #124-18 development of Sky Run Wells 1 & 2 and connection to the Milky Way well site holding tanks.**

Finance Administrator Nutt reported that the Town is entering into the next phase of the Community Development Block Grant ("CDBG") and has moved forward with procuring a contractor to develop the Sky Run 1 & 2 Wells and run piping to connect to the Milky Way tanks which will increase water distribution and access to water for the Town. Explained Ms. Nutt, the contract phase included bidding the project which required public advertising. Three contractors provided bid packets for the project. There was a lowest bid provided, however Dale Miller, the engineer for the project, went back to the contractor as they were over his estimate for the project. The contractor was subsequently able to remove a couple of un-necessary items as well as find a couple of clerical issues that made the project more expensive on the bid price. Engineer Miller saved the Town a significant amount of money by talking to the contractor. Reported Ms. Nutt, the contractor, Standard Construction, submitted a revised proposal to Town Manager Grier for his review. The tentative proposal from Standard Construction, which they are willing to put into a change order and sign into a contract, is for the cost of \$441,800.00. This is within the 10% margin of the original estimate by engineer Miller which was closer to \$400,000.00. The contractor's insurance, bid bonds, and references are all in place reported Ms. Nutt. If council so chooses to select this contractor as proposed and move the grant project forward to the actual construction phase the project is slated to be completed by March 13<sup>th</sup>.

Mayor McDaniel asked what the grant is on the CDBG. Town Manager Grier answered that \$278,000.00 are the CDBG monies available for the project. The contractor's cost in this project is

\$440,000.00 but then you have the cost of the engineer and all the other costs. This is a big Capital Improvement project for the Town with the water system that will be approximately \$240,000.00 out of the Town's pocket, stated Mr. Grier. Council Member Rappaport asked about the zoning in that area. Mr. Grier responded it is residential and the Town has all the easements in place. Council Member Binney questioned why the Town didn't have all the contractors re-bid. Mr. Grier answered the Town would have to get approval from the Arizona Department of Housing ("ADOH") to re-bid, which would require a six (6) month extension, and it is unknown if ADOH would allow that. Another unknown of a re-bid is that the bids could possibly come in higher. Mr. Grier stated he weighed carefully whether or not the project should be re-bid, and there was a real issue with the time frame and ADOH not allowing an extension. The better choice was to go forward with the lowest reasonable bid, stated Mr. Grier. Council Member Rappaport asked what happens if the contractor runs over the project completion date of March 13th. Mr. Grier responded that is usually built into the contract and the contractor would be penalized for every day they go over.

**A motion to approve the \$441,800.00 contract with Standard as written was made by Council Member Davis and was seconded by Council Member Binney.**

**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.

Chief Wisner of Hellsgate Fire District stated he failed to mention item #6 on the report regarding fire district evacuation plans which he then read aloud. Chief Wisner then requested the Town inform him of any street closures in the future.

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 Davis and was seconded by Council Member Binney.**

**The motion was voted on and passed 7 – 0.**

**APPROVED:**

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**Gary Coon, Vice Mayor**

**Date:** \_\_\_\_\_

**ATTEST:**

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**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 15<sup>th</sup> day of January 2019. I further certify that the meeting was duly called and held, and that a quorum was present.**

**Dated this 16<sup>th</sup> day of January 2019.**

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**Edie Chapin, Town Clerk**