

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

**Tuesday, February 18, 2020 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 Council Member Bobby Davis.
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER

- ROLL CALL:

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

- **HELLSGATE FIRE DISTRICT REPORT FOR JANUARY 2020**

Chief Wisner with Hellsgate Fire District gave the report for January 2020.

- **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 February 4, 2020.

B. Approval of Claims Payable from February 1, 2020 through February 15, 2020 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 Armington.

A roll call vote was taken:

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

The motion was voted on and passed 6 - 0.

- **DISCUSSION ITEMS:**

1. **Presentation, discussion and possible action by Gila County regarding broadband. Background information and plans to develop a strategic broadband plan for the Gila County area will be provided. Gila County would like to request that the city/town (Miami, Globe, Star Valley, Payson) join in this effort.**

District 1 Supervisor Tommie Cline Martin introduced Assistant County Manager Homero Vela who will be giving the presentation. Mr. Vela thanked council for their time and consideration of a strategic broadband plan for Gila County. Mr. Vela explained that Gila County wants this to be a county wide plan and they are going to put a team together that helps with a comprehensive, complete, strategic plan for broadband. Broadband is a high speed internet service that is always on, explained Mr. Vela. In 2015 the Federal Communication Commission determined that speed should be 25 Megabits per second (“Mbps”) on the download side and 3 Mbps on the upload side. The service that we get in Gila County, in general, doesn’t meet those requirements. In Gila County, the internet service is Digital Subscriber Loop (DSL), broadband service is through satellite and for the lucky few there might be a fiber medium that’s used to transmit the service. Fiber is far and away faster than all of them and is the most future proof.

Assistant County Manager Vela reported that a consulting company, Entry Point, was hired by Gila County for \$12,000.00 to help generate some ideas. Mr. Vela then showed a video and began a slide show that was prepared by Entry Point. The video mentioned a digital economy, a connected communication economy, pointed out Mr. Vela. If we are going to think about the economy that way in the future, we need to seriously consider the broadband infrastructure. We have utilities such as water, sewer, electrical power and of course the introduction of broadband as a utility. It’s not a new idea to have a publicly owned utility infrastructure to help drive the utility into the rural areas. In 1936, reported Mr. Vela, Congress enacted the Rural Electrification Act which allowed entities to build transmission and distribution lines for power. The entities that did that were called cooperatives or co-ops. They didn’t create power, they bought electrical power wholesale and then supplied and distributed power to the rural communities through their transmission lines. The county is thinking of this same concept with broadband and wants to make sure a robust broadband infrastructure reaches out to the community. Just last year, explained Mr. Vela, the McKinsey Global Institute published a very comprehensive report on the future work of America. One of the concluding statements stated that the rural areas need to have a digital infrastructure that enables remote work.

“Why fiber?” queried Assistant County Manager Vela. Mr. Vela explained the comparison on all the mediums in terms of demonstrated speed as follows: Digital Subscriber Loop (“DSL”) is 100 Megabits per second (“Mbps”); Coaxial cable is 1 Gigabits per second (“Gbps”); 5G is 2 “Gbps”; and fiber is 25 Terabytes per second (“Tbps”). If we are looking for something that is future proof, it has got to be fiber. If you’re investing in an infrastructure it’s got to last 30, 40, 50 years and fiber is the most future proof of these mediums. Mr. Vela provided a hypothetical example on how to finance the network. Let’s assume you get 50% of the households in Gila County to buy in to broadband infrastructure/service. There are about 33,000 residential structures in Gila County. Monthly internet cost is \$70.00 based on a U.S. average. You end up with an annual internet spend of 13 million dollars and over twenty years it would be something like 278 million dollars. The point is, added Mr. Vela, that the money is already here, the money is in the marketplace. The cost of providing the service, the monthly infrastructure cost, is \$22.00 and is based on \$4,000.00 to hook up a home with fiber over a twenty year period. The operating cost to maintain the system would be \$20.00 a month. In areas where this system is in place, reported Mr. Vela, free internet service is being provided at the low rate and at the high rate (1 giga speed)

the cost is \$9.99. The monthly cost to the subscriber for low speed would be \$42.00 and for high speed would be \$51.00.

Assistant County Manager Vela reported that Gila County was recently awarded a grant by the Arizona Commerce Authority for \$50,000.00. With a \$15,000.00 match from Gila County they now have \$65,000.00 on the table today to spend on this strategic plan. They are not asking for money. They are here to ask for the Town's participation in the development of the strategic plan. Mr. Vela explained that Gila County got a planning grant while Spark Light got a development grant to provide high speed fiber cable service to approximately 400 business customers in Payson, Star Valley and Tonto Apache Tribe. Broadband infrastructure should serve the entire community, stated Mr. Vela. There are grants that are available for rural communities for broadband infrastructure. The problem we currently have is that internet service providers are driven by a rate of return on their investment. It is very unlikely that they would invest in a rural community when they can take those dollars and invest in a densely populated urban area. They are investing where they can get the biggest bang for their investment.

In 2018, reported Assistant County Manager Vela, a forecast was made by the Arizona Department of Administration that projected Gila County population would be three percent less in 2055 than what it is today. If a community is not growing, it is dying. If we are to engage in strategic planning the next steps would be to: work with the Town of Star Valley and the other cities and towns; work with APS, CAG, Spark Light, Suddenlink and other providers; establish the legal structure; and create a financial pro-forma. As a strategic planning team comes together, explained Mr. Vela, it is important to consider these four pillars for broadband: affordable; smart/future proof; countywide; and competitive. Mr. Vela concluded by inviting the Town to join the County to develop this broadband strategic plan. Supervisor Martin added she likes the idea of working with APS and bringing it in on their transmission lines. There are a whole lot of questions and different directions we could go, but it's worth getting it together and exploring as communities in this county. The need for this becomes greater all the time, not just economically but as a way of life. Supervisor Martin proposed a council member and staffer get on board.

Council Member Rappaport asked if the preference is small businesses and not residents. Supervisor Martin responded it would be residents also. Council Member Davis stated this is all very near and dear to his heart, coming out of the economic development background, and something he has been working on for over five years. It's a really good plan and it works if it's done right. Without it, it's not going to happen because there is not enough revenue for Century Link or Suddenlink to come out here and run that kind of fiber. Council Member Rappaport commented the more the better. Assistant County Manager Vela stated the idea would be to include residential as well as businesses. Supervisor Martin added they can opt in or opt out. Council Member Davis stated if we want a university in this community, we better have enough horsepower to support it.

Council Member Binney asked for confirmation that APS is not going to do the final distribution. T&D Division Manager Neil Traver with APS responded they are building what would be called the middle mile. APS will be bringing up 215 pairs of fiber from Phoenix to the Preacher Canyon Substation and whoever wants to connect at that point can connect and bring it into town. Council Member Binney asked Mr. Traver what he thinks of this. "It's fantastic," responded Mr. Traver. At the end of the day, the reason he asked for it to be expanded and brought up here is for economic development purposes. Every economic development meeting he has ever been to, the primary thing that constantly comes up is that we need reliable broadband that has sufficient capacity. This will allow businesses to move here and bring economic development here. APS is happy to be a part of it, concluded Mr. Traver. Council Member Binney asked who will own the infrastructure. Mr. Vela answered it would be either an improvement district or a co-op. APS is putting in 215 fibers and two fibers is all that is needed to provide broadband

infrastructure. In general, we would lease the line from APS and explore what's the best way to bring fiber to homes and businesses. The idea is that the infrastructure would be publicly owned so there would be competition between internet service providers.

Council Member Rappaport asked if it is a government co-op. Assistant County Manager Vela responded that is to be determined. Council Member Binney asked who would control the rates. Mr. Vela answered that would be part of the discussion to take place. The government entity wouldn't be providing the internet service, it would be providing the maintenance of the infrastructure at a break even cost. Council Member Rappaport commented it is not going to be obsolete in ten years. "Not at all," responded Supervisor Martin. Council Member Davis stated the 3% decline by 2055 is not a good thing as far as services and that those kind of numbers scare him. Council Member Binney commented part of the reason things are dying is it's getting so expensive to live here – young families can't live here anymore. Mr. Vela pointed out the decision for today is determining if the Town has an interest in joining the strategic planning process. Doing nothing is the dying approach. Mr. Vela reported the consultant is talking about doing this in twelve months or less. Supervisor Martin commented let's quit talking about it. How many years, queried Supervisor Martin, have we been talking about this? Let's do something. Council Member Rappaport stated if there is going to be all these entities then there has to be a clear business plan. Council Member Davis agreed and commented that is the only way it can be sold to the public. He is in total support, concluded Council Member Davis.

Council Member Binney asked for confirmation that there isn't much exposure to the Town for expenditures. Assistant County Manager Vela answered they want to minimize it to zero. Council Member Binney stated he believes Star Valley has had an offer to bring internet to the Town for nothing. Town Manager Grier responded that Kenny Evans came to him and said that he would bring internet to Star Valley at no cost. That was the beginning and end of the conversation and he doesn't know anything more than that. Supervisor Martin stated Payson is getting Spark Light at no cost. That doesn't mean it's going to be hooking up to people. You wind up with a wire here and it's available, but then what do you do with it? Queried Supervisor Martin, how do you get it to you? How do you get it to your house? Mr. Vela reported that Spark Light is bringing a fiber through Star Valley and is going to run it all the way to Payson to connect 400 business customers in Star Valley, Payson, the Tribe and Gila County. He is not sure what the connection consists of or why they limit themselves to a one thousand foot corridor for a connection to the businesses. The model the county is proposing will be in competition with that. Early on in the process they would measure the interest from the public for this type of service. Council Member Rappaport commented this is why a business plan is necessary. Mr. Vela responded he is a believer in business plans and the county will not leave this process until they have the very best business plan they can develop. Everybody has got to be clear, added Council Member Rappaport.

Council Member Binney stated he likes competition and likes the idea of Spark Light and the count – and that the county is not asking for money. Vice Mayor McKinney asked for confirmation that there will be formation of a county wide district with the powers to tax. Mr. Vela answered that is one model. That is a way to do it and not the way to do it, added Supervisor Martin. That is part of what needs to be developed with conversation from all the towns over the next month or two. The more brains in this conversation, the better, concluded Supervisor Martin. Town Manager Grier asked what kind of work or participation the county is looking for from Star Valley council and staff. Supervisor Martin responded she is looking for some of us to get in on the conversation to develop the plan, help build the idea and support it. All she is looking for right now is just involvement of at least a council member and a staff member. Assistant County Manager Vela added they would be structured agenda meetings with the consultant once a month. Council Member Rappaport asked for the projected roll out. Supervisor Martin answered eighteen months. If the decision is made to go on with it, there is money available this next

year for broadband into the rural areas. “This year is critical,” commented Council Member Rappaport. “It is critical,” responded Supervisor Martin.

Commented Council Member Davis, Gila County is not the only rural county advocating for this, this is all across the United States, everywhere there is not internet. Council Member Rappaport commented the quicker we can get this together the more money we can get. “Probably,” answered Supervisor Martin. Mr. Vela reported people are moving in this direction. To avoid the risk, something like an improvement district needs to be created. The improvement district has a taxing authority, but the idea would be to allow people to opt in or opt out. By the taxing authority, it means we are going to borrow money on your behalf, and you are going to pay it back. It’s not that we are going to increase how much you can pay in the future, but you just need to pay the cost that it took to install fiber from the second mile to your home. Concluded Mr. Vela, the whole idea is to invite the town to join the county in a structured discussion that gets us to an end point in a reasonable amount of time. Council Member Davis stated the way he looks at it we would call the shots. If any of the broadband providers don’t get on it, they are fools. Competition will lower price, added Council Member Rappaport. Vice Mayor McKinney asked if there is a volunteer from the table that would be willing to meet with the county on a monthly basis. He is not sure if the Town can provide a staff member, but that can be talked about in the future. Town Manager Grier suggested a motion that the Town has interest in participating. It can be worked out at a later time what council members or staff members would participate.

A motion for the Town of Star Valley to participate in the implementation of a broadband service of some kind was made by Council Member Binney and was seconded by Council Member McDaniel.

A roll call vote was taken:

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

The motion was voted on and passed 6 – 0.

2. **First Reading and Public Hearing concerning Ordinance No. O 20-01, captioned as follows: AN ORDINANCE OF THE MAYOR AND COUNCIL OF TOWN OF STAR VALLEY, GILA COUNTY, ARIZONA, PERTAINING TO THE NATIONAL FLOOD INSURANCE PROGRAM, ADOPTING BY REFERENCE FLOOD INSURANCE STUDY, FLOOD INSURANCE RATE MAPS, AND FLOODPLAIN MANAGEMENT REGULATIONS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING PENALTIES. Finance Administrator Chancy Nutt to make presentation.**

Finance Administrator Nutt reported this is a housekeeping action and reading of Ordinance No. O 20-01 along with a public hearing. It is the first of two readings. Ms. Nutt explained she will be in front of council again at the next council meeting and at that time she will ask for the Ordinance to be adopted. The Town of Star Valley entered into an agreement with the State of Arizona and Gila County as it pertains to floodplain management. The Town basically adopted their regulations and appointed an administrator in the Town of Star Valley to work with Gila County to implement any paper work, permitting, and mapping. In the council books, reported Ms. Nutt, she provided the previous Ordinance No. O 10-01 that Ordinance No. O 20-01 will replace and she also included the minutes from those meetings as well. The updated Ordinance will name the Assistant Town Manager as the administrator instead of the Town’s building official, who has retired from the Town of Star Valley. As part of the state

statute she is required to read the Ordinance. Ms. Nutt then read the Ordinance in its entirety. Vice Mayor McKinney opened up the meeting to public comment. There were no public comments and the Vice Mayor closed the public comment portion. Council Member McDaniel asked why a position was assigned rather than a person. Ms. Nutt answered it could be a point that would have to be corrected in a future Ordinance. It was decided it was more appropriate to assign a position rather than a person as turnover could happen as it did in the past. Concluded Vice Mayor McKinney, seeing that there is no further discussion and there is no further action required he terminated this portion of the proceedings.

- **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.

District 1 Supervisor Tommie Cline Martin stated she would like to share the “Discover Gila County” effort they have been involved in. A handout was then provided to council and staff. She asked for everyone to take a look at the website and also to see if Star Valley is being featured well enough. Supervisor Martin concluded by requesting feedback about the website.

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

- **ADJOURNMENT**

Vice Mayor McKinney adjourned the meeting.

APPROVED:

Gary Coon, 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 18th day of February 2020. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 19th day of February 2020.

Eddie Chapin, Town Clerk