

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

**Tuesday, November 2, 2021 at 4:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

The Agenda for the meeting is as follows:

- PRAYER was offered by Vice Mayor McKinney.
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER
- ROLL CALL:
Vice Mayor McKinney X, Council Member Davis X, Council Member Armington X,
Council Member Binney Excused, Council Member Rappaport X, Council Member
McDaniel X, Mayor Coon 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 Special Joint Work Session Meeting held on October 5, 2021.

B. Approval of Claims Payable from October 16, 2021 through October 31, 2021 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 Excused, Council Member Rappaport X, Council Member McDaniel X, Mayor Coon X.

The motion was voted on and passed 6 - 0.

- **DISCUSSION ITEMS:**

- 1. Discussion and possible action regarding elk warning signs on Highway 260.**

Town Manager Grier stated council has been provided with a copy of the letter drafted by staff to be submitted to ADOT. Vice Mayor McKinney, reported Mr. Grier, brought up the issue of the need for elk warning signs. Mr. Grier stated he thought the best strategy would be to send a signed letter from all council members to persuade ADOT to put up elk warning signs. Mr. Grier then asked council to quickly review the letter to decide whether or not that's the letter they want to send. Vice Mayor McKinney stated he's good with the letter and he thinks it might work.

A motion to authorize the Town Manager to submit a letter, signed by the council, to ADOT requesting elk warning signs be placed at both ends of town on Highway 260 was made by Council Member Davis and was seconded by Council Member Rappaport.

A roll call vote was taken:

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

The motion was voted on and passed 6 - 0.

- 2. Discussion and possible action to select shade structure(s) for the park using the awarded Prop 202 grant and possible Town leverage money.**

Town Manager Grier stated the Town was awarded a Prop 202 grant from Fort McDowell Yavapai Nation in the amount of \$14,434.00. Thanks in very large part to Town Clerk Chapin, reported Mr. Grier, who diligently writes up dozens of Prop 202 grants every year. From an incredibly competitive field, the Town was awarded money for shade structures at the park. We are trying to move that forward and have put some ideas in front of council for a variety of shade structures. Mr. Grier disclosed staff is leaning towards smaller shade structures for the two benches at the pickleball court. Staff does not have that information yet, reported Mr. Grier, and his recommendation is to table this. Mayor Coon added it's smart to table it to a date certain. With the time frame, added Mr. Grier, he recommends a short leash with the motion to table and to keep it on the fast track.

A motion to table this until the next Council Meeting on November the 16th was made by Council Member Davis and was seconded by Council Member Armington.

A roll call vote was taken:

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

The motion was voted on and passed 6 - 0.

- 3. Quarterly financial report presented by Finance Administrator Nutt and Town Manager Grier.**

Town Manager Grier acknowledged this is the important agenda item of the night. Staff will talk about where we are with our budget and it gives council an opportunity to ask questions. All decisions that council makes, concluded Mr. Grier, circle back to the fiscal impact. Finance Administrator Nutt began by explaining that staff is a bit light on number detail as numbers are just starting to come in for the first three months of the fiscal year. This last year was interesting in a couple of ways, reported Ms. Nutt, as the Town has numerous projects coming to fruition and hitting new stages. Also, the legislative session went a bit long in this last period and she has some recent legislative updates that affected the

budget. One of those was the population adjustment for the Town. We had previously been working off an estimate of our population. With the 2020 Census, the Town got an increase of 8% in population. The legislation then adjusted our state shared revenues based on this population increase. This, reported Ms. Nutt, affected our general fund which increased by \$62,500.00 and the HURF shared revenues which increased by \$19,794.00. This fiscal year the Town has collected \$385,000.00 from the Arizona Cares Fund Act. We will do so again next fiscal year and then those funds will be exhausted. State legislation, informed Ms. Nutt, had previously decided that towns and counties have to use the Arizona Department of Revenue (“ADOR”) to collect local sales tax. This was something the League of Arizona Cities and Towns (the “League”) really fought against because there was a compelling argument for the local municipality to collect the local sales tax. The League didn’t win and we have since then paid, every fiscal year, for the ADOR to collect our local taxes. The League went after it again in this last legislative session, reported Ms. Nutt, to have discretion as to where the money the towns are paying goes. Instead of going into the ADOR fund, it is now being collected in a firefighter fund that provides cancer treatment funding for firefighters. Overall, we are on track with our revenues and expenditures and the Town is in a good fiscal position.

In June of 2020 over June of 2019, reported Finance Administrator Nutt, we had increased collections of our local sales tax by 16%. This was due to the Town’s stronger advocacy with the ADOR for going after non-payers. In June of 2021 over June of 2020, with the pandemic changing the pattern of travel, our local tax collections increased by 52% percent. The biggest collection for the Town is retail, which equals 48% of our total collections. We also have utility, communication and rental tax. Council Member Davis asked why the utilities would be up. Ms. Nutt answered people are using more because they are home more and there could also be build out. The municipal budget, explained Ms. Nutt, does have specific funds. There is the general fund where most of the projects, expenses and operations come out of. We also have our HURF and Gila Excise Tax that are specific for roads. The money going in and out of those funds are restricted and can only be used for certain projects. Then we have the water enterprise fund that we try to treat like a business so that it funds itself and supports itself.

In the general fund, reported Finance Administrator Nutt, our revenues are on track. Our awarded grant funds from Prop 202, the Gila County Supervisors (for the park project), and the Arizona Cares Fund Act have been coming in. The CD’s are collecting interest at a rate of 21%. Our expenditures – personnel, the cost of operations and purchase services – are all in line with that 25% number. Capital outlay is at 5% because that does capture some “what if” scenarios such as legal or engineering expenses. Overall, the collections in and out in the general fund are right on track. In the restricted HURF and the Gila Excise Tax, reported Ms. Nutt, we see some spending on roads at 31%. The Town has about a 1.99 million dollar reserve for emergency road projects and large infrastructure projects that affect the streets, roads, ditches and drainage. It’s an incredibly good position for a town with sound infrastructure to be in. Collection is at 27% of the state shared revenues, which does reflect the adjusted increase with the news coming out of the legislation. Queried Council Member Davis – What is our sales tax in Star Valley? Ms. Nutt answered 2% and the county is 6.6 % for a total of 8.6%. The water enterprise fund, reported Ms. Nutt, has been implementing commercial water rates with the RV park connections that have been established. We are looking forward to possibly expanding and providing connections to any of the other parks and commercial operations that would like to come on board. With that adjustment we are now operating in the black – about \$4,000.00 a month – in the first quarter. This will allow the Town to do some projects – like the mapping project that council recently approved. Council Member Davis commented it’s nice to see a positive carryover.

Finance Administrator Nutt then moved on to the project updates portion of the presentation and turned it over to Town Manager Grier. Mr. Grier reported the Town has been able to accomplish a great

deal this summer even though it has been somewhat frustrating because of how busy everyone is. Besides our three main staff members, we have contract employees Dean Shaffer (Water Department Operator), Dale Miller (Town Engineer), Terry Hughes (Landscape) and David Chapin (Maintenance Engineer). David has been busy and recently installed the vandal proof flag at the park as well as the security camera at Town Hall. He also disposed of the abandoned couch at the empty lot on Moonlight. Then, reported Mr. Grier, we have our job order contractor Roy Haught. Roy and his crew have done limb removal, granite removal from streets, ditch mitigation, and weed control. It's not that the Town doesn't have a lot of employees, we just have a different model using contract employees rather than full time employees. We have many people that make the Town run and help us provide our gambit of services. Mr. Grier stated staff is proud of what has been accomplished. The flag at the park was replaced twice due to vandalism; the park willow trees are at Plant Fair Nursery and are waiting on Roy to plant; and the park bathroom automatic locks have been installed. The park bathrooms, reported Mr. Grier, are open from 6:00 a.m. until 10:00 p.m. and hopefully that will reduce vandalism. The back up well system, explained Ms. Nutt, is a particularly important part of the park development. Since trenches will be dug out to expand water lines to the splash pad and new willow trees, staff has decided to break up the metering system a little bit more to pinpoint how much water goes to the park itself and how much water goes to the backup system. The splash pad, concluded Mr. Grier, is waiting for holes to be dug so the plumbing can be done.

Finance Administrator Nutt reported the grant process for the Community Development Block Grant ("CDBG") water line replacement has begun for the Neptune subdivision area of Venus, Mars, Orion and Milky Way. The lines in that subdivision are the oldest section of our system and will be replaced and upsized to eight inch C900. The other project we are trying to accomplish in tandem is to bore under Highway 260 and replace undersized and extremely aged water line. She received an update from Engineer Dale Miller on both of these projects. The plans for Highway 260 are under his review and he expects to have the bid contracts and other documents ready to go at the end of November for the CDBG water line replacement. Queried Council Member Davis – Where are they planning on boring? Ms. Nutt responded over by Walters Lane up to Milky Way. Town Manager Grier added the Highway 260 water line crossing falls into the category of a capital improvement project. The money is coming completely out of the Town's pocket. Queried Council Member Davis – Will the Town be renting space for fiber optics? Mr. Grier responded he thinks it's a no. Ms. Nutt reported staff has purchased a filing cabinet to preserve the maps for the approved water master plan mapping project. She received an update from Engineer Dale Miller that the mapping is underway. A draft, explained Ms. Nutt, will be sent to the Town in early December for Water Operator Shaffer to review. Our responses will go back to the engineer and the final is expected in early January.

Finance Administrator Nutt explained streets and roads projects aren't just sweeping up granite and filling potholes. A project came to the Town, reported Ms. Nutt, and Town Manager Grier was able to tap into our HURF funds to complete it. Town Manager Grier explained a wheelchair bound man called Town Hall and asked if we could do something about the curb outside his home because when he hits the curb with his wheelchair he tips over. An access ramp was installed and he is now able to leave his home safely. Ms. Nutt reported staff has also begun the process of putting in an additional speed notification sign for Moonlight Drive.

Finance Administrator Nutt announced that Town Manager Grier would provide an update from the Knolls/Pine Ridge Community. Matt Highstreet, added Ms. Nutt, is the new president of the HOA for the Knolls. He is a firefighter who has training and skill in wildland fires. Town Manager Grier stated he thinks we do have to be fire smart. There may be an opportunity to protect our southwest boundary, explained Mr. Grier, because historically speaking fires travel to the northeast. There are a lot of people

that hike the Boulder Trail on that southwest boundary. If a wildfire incident happens there it could affect the entire Town. Some of this discussion came up when staff started to look at the water system. Mr. Grier explained he started questioning what sort of fire protection we have with our water system. People see fire hydrants and they think that they have fire protection and they expect fire protection. That's not necessarily true, acknowledged Mr. Grier. We have a system that was designed for the first unit in the Knolls, but after that unit was built they piggybacked on additional units in the Knolls, Pine Ridge and the Houston Creek Landing subdivision. The Knolls had one 160,000 gallon tank and the original design was with the idea that 120,000 of those gallons were going to be preserved for fire protection and the other 40,000 was for potable water. The Town purchased the water system, which has always been a potable water system and not a fire protection system. It's a confusing point since there are fire hydrants out there. While it's not the Town's legal responsibility, pointed out Mr. Grier, we have to look at what we can do to give the most protection we can to our community. Staff began talking to Matt Highstreet about targeted and sustained fire protection and identifying the areas where a fire is actually going to encroach upon the community. This is a project that is not just good for the Knolls community, stated Mr. Grier, but good for the entire Town of Star Valley. We may have the opportunity to not only fire wise but also look at how we could set up water support to an approaching wildfire. Ms. Nutt reported that Matt Highstreet got an update from the forest service. He is slated to have them respond to the request to have a thinning project inside the forest service area south of the Rim Club, the Knolls and eastward as far as they can fund it. The Knolls HOA is also trying to pursue some grants by being a certified fire wise community. Queried Council Member Rappaport – Are they going to be using fire to thin? Ms. Nutt responded she has not heard, but they do want to do it during the winter.

Finance Administrator Nutt stated she received updated information from Lee Martinez regarding the commercial development on what used to be the Freegard property. The sale is complete, reported Ms. Nutt, and Mr. Martinez owns the property. The traffic survey has been submitted and ADOT's final draft is pending. If all goes well, the possible permit pull date would be this coming February. It is the belief of Mr. Martinez, reported Ms. Nutt, that the new development will result in the installation of a traffic light at the west entrance of Circle K. Ms. Nutt explained the zoning is currently TRTD ("Transitional Residential Trailer District") which is appropriate for the proposed use of the housing development and storage facilities. Maverik, pointed out Ms. Nutt, will require a zoning change. Council Member Davis asked if it will be rezoned to commercial. C3 ("Commercial Three") for the Maverik, responded Town Manager Grier. Council Member Davis commented this is going to improve the whole area. That concluded the presentation.

- **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 up this portion of the meeting for public comment. There was no public in attendance and the Mayor closed the public comment portion.

- **ADJOURNMENT**

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

The motion was voted on and passed 6 – 0.

APPROVED:

Gary Coon, 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 2nd day of November 2021. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 16th day of November 2021.

Eddie Chapin, Town Clerk