

**MINUTES OF THE REGULAR MEETING  
AND EXECUTIVE SESSION OF THE COMMON  
COUNCIL OF THE TOWN OF STAR VALLEY**

**Tuesday, May 2, 2023 at 5:15 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 Dueker.
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER
- ROLL CALL:  
Vice Mayor McKinney X, Council Member Armington X, Council Member Binney X,  
Council Member Dueker X, Council Member Highstreet X, Council Member McDaniel  
X, Mayor Davis X. Council Member Highstreet appeared telephonically.

- **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.

Penny Stonebrink of 124 N. Pinon Rd. in Star Valley stated she loves what the town has been doing, especially at the park.

Michele Montbleau of 3680 E. Highway 260 in Star Valley stated she is a new member of the Star Valley Planning & Zoning Commission. She is attending the council meeting to see how the meetings function.

There were no further comments, and the Mayor closed the public comment portion.

- **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 and the  
Work-Study Meeting held on April 18, 2023.**

**B. Approval of Accounts Payable from April 16, 2023 through April 30, 2023**

**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 McDaniel.**

**A roll call vote was taken:**

**Vice Mayor McKinney X, Council Member Armington X, Council Member Binney X, Council Member Dueker X, Council Member Highstreet X, Council Member McDaniel X, Mayor Davis X.**

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

- **DISCUSSION ITEMS:**

- 1. Presentation by APS regarding fire mitigation and preparedness efforts.**

Town Manager Grier introduced Janet Dean, the APS Public Affairs Manager of the Northeast Division and Joe Weathersby, the APS Division Manager. Joe Weathersby, added Mr. Grier, is Neil Traver's replacement. APS, reported Mr. Grier, has been most generous with APS Corporate Giving. The most recently awarded funds were used to purchase the Ronnie McDaniel Memorial Bench located at the park. Janet Dean introduced herself to the council and reported that Neil Traver is still with APS and is now managing federal funding. This is their annual visit regarding wildfire safety and fire mitigation, concluded Ms. Dean.

Joe Weathersby introduced himself as the new Division Manager for APS. Mr. Weathersby stated he was born and raised in Payson and he is familiar with Star Valley because he spent time a lot of time in the area while growing up. APS does everything it can every year to prepare and reduce the risks of wildfires in the communities. The DSAP (Defensible Space Around Poles) Program, explained Mr. Weathersby, creates defensible space within a ten foot radius around poles that helps protect electrical equipment from the impacts of wildfire and prevent wildfire ignitions. They use specialized equipment on their lines to help reduce outage durations for customers. A pole by pole inspection is done annually, reported Mr. Weathersby, to identify necessary maintenance so the work can be completed prior to elevated fire conditions. Wildfire preparedness involves working year-round to harden the system. Mr. Weathersby asked if there were any questions. Queried Mayor Davis – Are you expecting a lot of dry lightning strikes this year? We could expect the same as last year's storms, replied Mr. Weathersby. APS does have a meteorologist on staff, added Mr. Weathersby. There were no further questions and that concluded the presentation.

- 2. Discussion and possible action to consider moving forward with Rick Engineering Company to provide a Water Model Study.**

Town Manager Grier stated he is not sure how to approach this topic. The town is on the eve of the tentative budget and the council needs to make decisions on what direction they want to go. The Star Valley Water Department, reported Mr. Grier, has always been a potable water system and not a system for fire protection. The council may want to provide some fire protection. When the aged water lines in the Moonlight area are replaced we don't know if eight inch pipes will support fire hydrants. Negative pressure, informed Mr. Grier, can collapse water lines. The Arizona Department of Environmental Quality ("ADEQ") is the supervising jurisdiction for the water department, explained Mr. Grier, and they will require this study if the town is interested in installing fire hydrants. ADEQ's interest, added Mr. Grier, is in sustaining a potable water system.

There have been questions posed, stated Town Manager Grier, as to who is responsible for maintaining the fire hydrants. Queried Mr. Grier – Does the council want fire protection as part of the system or does council want to provide protection to where the water user is? Does the council want to replace the aging water lines? Does the council want to install water tanks at the Circle K well site? These are discussions the council needs to have. Council Member Highstreet stated the Town Manager is spot on – it is a potable water system. He is glad the town is considering the study to see if the system could handle hydrants. Queried Council Member Highstreet – Who is responsible for maintaining and repairing the hydrants on an annual basis? Some of this stuff, reported Council Member Highstreet, is not being done. It would not be reasonable to convert the entire system for fire flow. The details do need to be ironed out as to who is responsible for the fire hydrants, concluded Council Member Highstreet.

Council Member Dueker suggested having water tenders on board and working with Hellsgate. Council Member Highstreet responded that would bridge the gap. The purchase of that equipment, stated Council Member Highstreet, is entirely up to Hellgate and not necessarily a realistic angle. Being a small town, stated Council Member Binney, we don't have the financial ability to do it. It would be a good idea to do it. Council Member Binney stated he doesn't think it would cost the town that much more to install larger pipes. Before, stated Town Manager Grier, making choices was need based. The council needs to commit on the issue of fire protection or not. The public will have a reasonable reliance this is provided to them. The Town, reiterated Mr. Grier, has always had a strict position of being a potable water company.

The fire department doesn't even know where the fire hydrants are, stated Council Member Binney. If council chooses to do the study it would provide information that would be helpful to the water department. Maybe, added Council Member Binney, we could put in a hydrant or two. Questioned Council Member Binney – How many feet are the hoses? They are no less than 800 feet, answered Council Member Highstreet, and they carry 1000 gallons per minute. Council Member Binney stated he is for the study. There are no fire departments in the U.S., reported Council Member Highstreet, that own fire hydrants. Hellsgate, admitted Council Member Highstreet, should know where the hydrants are located. It is usually either towns or a water company that own the hydrants. The town water serves about one third of the population, reported Council Member Binney. It would not be right for all of the taxpayers to pay for it.

Council Member Armington recommended the possible use of Roy Haught's Cline tank for emergency purposes only. The county, reported Council Member Armington, does maintain three trucks that hold 15,000 gallons each. Town Manager Grier stated that part of the discussion needs to be about the strategy for fighting a fire. Council Member McDaniel stated she likes the idea of doing the water study. Mayor Davis stated he is in agreement. Council Member Dueker stated he also agrees. The town needs to address fire protection with everybody (Gila County, Hellsgate, Payson) where we can all help each other, recommended Council Member Dueker. Vice Mayor McKinney stated he believes the water study is a prudent and good idea and it makes sense to get the study done. Mayor Davis pointed out that the quote is old and questioned if there will be an increase. It will go up some, answered Mr. Grier, but not too much. If it is a dramatic increase, added Mr. Grier, he can bring it back to the council. Council Member Binney reported that Roy Haught offered the fire department the Cline tank water and they declined.

**A motion to move forward with Rick Engineering Company to provide a Water Model Study was made by Council Member McDaniel and was seconded by Vice Mayor McKinney.  
A roll call vote was taken:**

**Vice Mayor McKinney Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Dueker Yes, Council Member Highstreet Yes, Council Member McDaniel Yes, Mayor Davis Yes.**

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

**3. Discussion and possible action to review the draft budget prior to the adoption of the tentative budget.**

Finance Administrator Woody began her slideshow presentation and stated she is providing a sneak preview of the tentative budget. Since she put it together, added Ms. Woody, new things have come up. There have been changes to the state income tax as the state adopted a flat tax of 2.5% that applies to individual income beginning January 1, 2023. The League of Arizona Cities and Towns went to bat for the cities/towns, reported Ms. Woody, and the cities/towns share will increase from 15% to 18% in fiscal year 2024. The Arizona Department of Revenue estimates a 41.36% increase in collections from last year. Star Valley will not see the impact, if any, until fiscal year 2025. The other possible revenue sources, explained Ms. Woody, are sales tax (currently 2%); property tax (Star Valley does not have a property tax); and bonds.

In comparison to last year's budget, reported Finance Administrator Woody, she is estimating a 12.9% increase in tax revenues. The budget, explained Ms. Woody, represents the legal authority to spend money. It forecasts income and expenditures and is a decision making tool. The budget ensures resource availability and helps prioritize projects such as pipe replacement or water tanks or both. Whatever the council decides to spend, pointed out Ms. Woody, must be in the budget. The Statement of Cash Flows, explained Ms. Woody, is broken down by fund. The town has \$10 million in liquid cash, reported Ms. Woody. The cash balance is part of the fund balance. Ms. Woody pointed out the transfer of funds in the amount of \$718,100 from the general fund to the water fund. \$500,000 of that, reported Ms. Woody, is as a capital improvement placeholder. If the town spent everything it budgeted for, the total cash balance would be \$5 million.

Finance Administrator Woody then moved on to revenues and expenditures. Starting from fiscal year 2021, reported Ms. Woody, the total actual revenues were \$2.6 million and the total actual expenditures were \$1.4 million; for fiscal year 2022 the total actual revenues were \$2.7 million and the total actual expenditures were \$1.3 million; for fiscal year 2023 the projected total revenues are \$3.1 million and the projected total expenditures are \$2 million; for fiscal year 2024 the proposed budgeted revenues and expenditures are each \$8.2 million. The tentative budgeted capital improvements, pointed out Ms. Woody, are listed by fund. Ms. Woody explained that capital expenditures are monies spent on providing or improving non-current assets (which include land, buildings and equipment) which will be of use or benefit in providing services for more than one fiscal year. The general fund, reported Ms. Woody, has \$167,000 budgeted for equipment, software updates, Town Hall improvements, park landscape and park sun shades. The HURF/GILA RDX fund has \$1.9 million budgeted for street improvements. The water fund has \$760,000 budgeted for variable frequency and booster pump, PRV installation, CDBG water system improvements and water system improvements. That concluded Ms. Woody's presentation. Town Manager Grier reminded the council that the tentative budget is on the May 16<sup>th</sup> agenda.

**4. Discussion and possible action to adopt Resolution No. R 23-05 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, amending the Court Enhancement Fee.**

Town Clerk Chapin explained that staff was contacted by the Magistrate Court because the Administrative Office of the Courts (“AOC”) was requiring a resolution to amend the Court Enhancement

Fee to \$45.00 The original resolution established the Court Enhancement Fee at \$46.00, reported Ms. Chapin, but the court has been charging \$45.00 and they would like to keep it at \$45.00.

**A motion to adopt Resolution No. R 23-05 – Amending the Court Enhancement Fee was made by Council Member McDaniel and was seconded by Council Member Dueker.**

**Vice Mayor McKinney Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Dueker Yes, Council Member Highstreet Yes, Council Member McDaniel Yes, Mayor Davis Yes.**

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

**5. Discussion and possible action to adjourn into Executive Session, pursuant to:**

**A.R.S. § 38-431.03.A.3 – Discussion or consultation for legal advice with the attorney or attorneys of the public body.**

**A.R.S. § 38-431.03.A.7 – Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale, or lease of real property.**

**Discussion for the purpose of consulting with Town Attorney Timothy W. Grier regarding consideration of an offer to purchase Pete’s Place.**

**A motion to adjourn into Executive Session was made by Council Member McDaniel and was seconded by Council Member Armington.**

**A roll call vote was taken:**

**Vice Mayor McKinney Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Dueker Yes, Council Member Highstreet Yes, Council Member McDaniel Yes, Mayor Davis Yes.**

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

- EXECUTIVE SESSION
- MEETING CALLED BACK TO ORDER

**6. Discussion and possible action to instruct the Town Manager/Attorney how to proceed with the offer to purchase Pete’s Place.**

There was no discussion. (Council Member Highstreet left the conference call prior to the meeting being called back to order.)

**A motion to end the negotiations for the purchase of Pete’s Place so council can concentrate and focus on the many important services that are provided to the community was made by Council Member McDaniel and was seconded by Vice Mayor McKinney.**

**A roll call vote was taken:**

**Vice Mayor McKinney Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Dueker Yes, Council Member Highstreet Absent, Council Member McDaniel Yes, Mayor Davis Yes.**

**The motion was voted on and passed 6 - 0.**

- **ADJOURNMENT**

**A motion to adjourn the meeting was made by Council Member McDaniel and was seconded by Council Member Armington  
The motion was voted on and passed 6 – 0.**

**APPROVED:**

\_\_\_\_\_  
**Bobby Davis, 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 2<sup>nd</sup> day of May 2023. I further certify that the meeting was duly called and held, and that a quorum was present.**

**Dated this 3<sup>rd</sup> day of May 2023.**

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**Edie Chapin, Town Clerk**