

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

**Tuesday, May 16, 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 Pastor Dave Barber of Rim View Community Church.
- 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.

- **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 were no 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 held on May 2, 2023.

**B. Approval of Accounts Payable from May 1, 2023 through May 15, 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 Highstreet.

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. **Discussion and possible action concerning the cost of the shade structures for the playgrounds (ages 2-5) and (ages 5-12).**

Town Clerk Chapin reported that the ExerPlay representative, Dan Gardiner, is joining the meeting by conference phone and he can answer any questions they may have. Ms. Chapin explained that the updated quote of \$90,221.38 received for all five shade structures came in above the \$85,000.00 approved by council. Ms. Chapin asked if council had any questions. Town Manager Grier asked Mr. Gardiner to explain why it got more expensive. Mr. Gardiner reported that he and Ms. Chapin started the shade project a couple years back. The installer didn't realize the hard dig conditions with the ground, explained Mr. Gardiner, until they installed the new playground (ages 2-5). He shopped it out through three of his installers and went with the best price, which happened to be the group that just finished the scope of work at the splash pad and also installed the new 2-5 play structure. The hard dig installation is why the cost got more expensive, concluded Mr. Gardiner. There were no further questions and the Mayor stated he would accept a motion.

A motion to approve the purchase and installation of three single post cantilever shade structures for the playground (ages 5-12) and two single post cantilever shade structures for the playground (ages 2-5) at the cost of \$90,221.38 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 Armington Yes, Council Member Binney Yes, Council Member Dueker Yes, Council Member Highstreet No, Council Member McDaniel Yes, Mayor Davis Yes.

The motion was voted on and passed 6- 1.

2. **Discussion and possible action to review and increase employee healthcare benefits.**

Town Manager Grier stated that health insurance costs for the employees has gone up substantially. In 2019, informed Mr. Grier, council approved a certain amount per employee. Staff hasn't had to come back to council until now because the town can longer provide that insurance at that price without raising the cost on it. BlueCross BlueShield of Arizona is an excellent insurance for the employees and the employees have always thought it was one of the greatest benefits of working at Star Valley. It is a grandfathered health insurance, added Mr. Grier, that is not available to anyone else. The town, explained Mr. Grier, has always struggled to get a lot of choices in health insurance because we are such a small group and now a group of two. The overall cost of the three employees isn't quite as bad because his cost has gone down to about half with the Medicare benefit. We have great employees, stated Mr. Grier, that well deserve to be taken care of. Mr. Grier asked if there were any questions. Council Member Highstreet asked for clarification if it is for two employees. There are three employees that are on health insurance, answered Mr. Grier. He is on Medicare, added Mr. Grier. Queried Council Member Highstreet – Do we have any part-time employees or is that contracted services? We have some part-time employees but they are not eligible for health insurance benefits per the town, responded Mr. Grier.

A motion to increase the employee healthcare benefits package to up to \$2,000 per month per employee was made by Council Member Highstreet and was seconded by Council Member Binney.

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 adopt Resolution No. R 23-06 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, adopting estimates of revenues and expenditures/expenses shown on the schedules attached as the tentative budget of the Town of Star Valley for the fiscal year 2023/2024. Presentation by Finance Administrator Woody and Town Manager Grier.

Finance Administrator Woody will start off, stated Town Manager Grier, and he will follow up with some thoughts. This is our tentative budget for fiscal year 2024, stated Ms. Woody. The goal tonight is to adopt the tentative budget. Ms. Woody began the slide show presentation and explained she made some major changes to the *Statement of Cash Flows*. The *Cash Balance* totals \$4.4 million; there is \$70,000 in the *Savings; Stifel Investments* (CDs) total \$5.2 million; the *Stifel Uninvested Cash* totals \$258,000 in CDs that matured which are now in the sweep account earning interest; and the *Enterprise Fund* has \$172,000 in its checking account, reported Ms. Woody. This gives us a total cash availability of \$10,147,000. The *Budgeted Revenues* coming in are \$2,989,000. *Grant Funds* are \$50,000 for Prop 202; \$4,000 from APS; and then approximately \$240,000 coming in from the Community Development Block Grant, reported Ms. Woody. Queried Mayor Davis – Are we going to put that one million dollars back in for the federal funds we applied for? We could put that back in, answered Ms. Woody. Mayor Davis stated he would hate to see the town get the grant and then not be able to spend it. Town Manager Grier responded he doesn't think it is a bad idea and council will have to vote on that tonight to increase it. Council Member Davis stated he met with the executive director of CAG and was told that some of the small communities that have applied for these big grants have started coming through. It won't hurt to add it, replied Ms. Woody. Mr. Grier instructed council to add \$1 million to the figure given for the motion.

Under our *Utilizing Fund Balances*, continued Finance Administrator Woody, she has budgeted all cash available so council has the budget authority to spend it should they need it. That amount, reported Ms. Woody, is \$9,019,000. Maybe something to look at in the future, recommended Ms. Woody, is setting that fund balance limit. *Transfer Funds (out/in)*, explained Ms. Woody, is something that hasn't been budgeted for in the past that she is now starting to do. There is \$748,000 in the *Transfer Funds*, which she increased from the sneak preview to cover the approved Water Model Study. The \$748,000 was taken out of the general fund and moved into the water fund. The *Budgeted Expenditures* total \$12,302,000. Ms. Woody asked if there were any questions. Questioned Vice Mayor McKinney – Would we typically have a CD come to maturity every month? We do have a schedule of when all of the CDs will mature, answered Ms. Woody. If the money were pulled from the CDs before their maturity date, then a loss would be recognized.

Finance Administrator Woody went on to the next slide titled *Revenues – All Funds*. Ms. Woody explained she has them separated out by *General Fund*, *Special Funds* and *Enterprise Fund*. She has provided: the *Actuals* for two years so that everyone can see what has been done in the past; what she has *Projected*; what was actually budgeted (*Adopted*) for last June; and the *Proposed Budget*. In the *General Fund*, reported Ms. Woody, we have an increase in taxes of \$223,000. The next big jump that you see under *Other Revenues* is the \$304,000 in the negative. This is due to the COVID money that the town won't be receiving anymore. Under *Special Funds* there is a jump in *Interest Earnings* of \$89,000 because the town opened up the sweep account in March. In the *Enterprise Fund* the reason we see the big jump of \$932,000 in the negative is because last year we budgeted for that million dollars and this year we did not. That number is going to change, informed Ms. Woody, because she will be putting that million dollars back in. Last year, under *Fund Balance Utilized*, we budgeted \$1,498,000 to use. For

fiscal year 2023/2024 we have budgeted \$9,019,000. The total budget for fiscal year 2023/2024 is \$13,050,100. Now it will be \$14,050,100, confirmed Mayor Davis. Yes, responded Ms. Woody.

Finance Administrator Woody then moved on to the slide titled *Expenditures – All Funds*. Ms. Woody explained she has provided: the *Actuals* for two years; what she has *Projected*; what was actually budgeted (*Adopted*) for last year; and the *Proposed Budget* for this year. In the *Contingency Fund*, there is over \$6 million dollars for council to have the budget authority to spend it. There is \$650,000 in the Rainy Day Contingency and again the water transfer of \$748,100. Those are the biggest jumps, pointed out Ms. Woody. Under *Special Funds*, reported Ms. Woody, the only jump here is the \$173,000 difference in *Operations*. That is the Judicial Collection Enhancement Fund (“JCEF”) that the town doesn’t have any control over because it is not our money. In the past, explained Ms. Woody, it was calculated into *Capital Expenditures* rather than in *Operations*. Then there is the \$2.3 million that is budgeted for streets and roads maintenance and improvements. In the water *Enterprise Fund* there is \$760,000 for *Capital Expenditures* coming to a total of \$1.2 million dollars. Again, added Ms. Woody, that number will change.

Another perspective for council, stated Finance Administrator Woody, is the *Expenditures by Type – All Funds*. Ms. Woody explained she took all the funds with all the types: transfers; contingency; contracted services; capital expenditures; professional services; operations and administration. The graph shows what the full budget is for each one of those types and the percentage is the percentage of the allocation of the budget in total. In *Budgeted Capital Expenditures* there is \$182,000 in the *General Fund*. That number did change, pointed out Ms. Woody, because she increased the park sun shades to \$100,000 from the original \$85,000. The *HURF* and *Gila RDX* are at \$2.3 million dollars and *Water* is at 760,000 for a total of \$3,302,200 in capital improvements. Ms. Woody asked if there were any questions. There were no questions. Mayor Davis asked if that number is going to change. It will change by one million, responded Ms. Woody.

Town Manager Grier stated he thinks a budget does a couple of things. It satisfies the statutory requirements and it is also the touchstone for planning for a town. With the Town of Star Valley, because we have an ample fund balance, we don’t hit it quite in the same way that other towns do. Other towns are looking at revenues coming in to be able to see whether or not they are going to be able to pay their employees or whether or not they are going to have to reduce their employees. For the Town of Star Valley, stated Mr. Grier, he thinks it is a good opportunity to plan and that’s why the series of Work Study Sessions were done. We’ve tried to come up with some answers with where we are going to go for the next year. Mr. Grier stated he would like to give a little bit of a different angle on the budget from the Town Manager perspective that will complement the budget. What he heard from council in the Work Study Sessions, reported Mr. Grier, is to look at what our Capital Improvement Projects are going to be in the coming year. The replacement of the older water lines in the Moonlight area is a priority for council. The price tag currently on that is approximately \$3 million dollars over a period of years. Council has not come to a conclusion on how they want to do that. What he is looking at is maybe a \$250,000 chunk every year. But, added Mr. Grier, that will come back to council for a decision.

The other project, stated Town Manager Grier, is the two tanks at the Circle K well site. That may be a good fit for the Community Development Block Grant (“CDBG”) money which he thinks will be about \$300,000. We have had interesting conversations about the water system and fire protection. The council approved to have the water modeling done at a cost of \$31,900.00, reported Mr. Grier. The water modeling will need to be completed before we really know what direction we want to go for a couple of different reasons. One reason, stated Mr. Grier, it will give us the priorities and tell us what deficiencies or what our most urgent needs in our water system are, if any. It will also tell us what the price tag for a fire protection system would be. We will learn whether or not that is something that we can consider in

whole, consider in part, or maybe not consider at all due to what the price tag may be on that. We have to have the answers that the water modeling will give us before we really move forward on replacing those older pipes. If we put in eight inch lines and the study comes back and says for fire protection you have to have twelve inch lines, we wouldn't want to have to dig them back up and replace them. That, pointed out Mr. Grier, might hold up that project a little bit. The town has recently spent a lot of money on the park, reported Mr. Grier. The park may be at a point where we may be spending less money because it is full. We are in good shape with the Community Garden and he doesn't see a lot of money going in there.

Fiscally speaking, stated Town Manager Grier, the town is rock solid. We have gotten there from the hard work of staff, councils and mayors. The town has been conservative in nature, but we are also in a position where we can have available to us good things that we can do for the town. Staff provides the council with information so council can make good, well informed decisions. On that subject, added Mr. Grier, the council hasn't really decided what they would like the fund balance to be. Mr. Grier stated he does not know if that is necessary or not, but he does think it is important to set an amount. It is important for council to know, stated Mr. Grier, that we have some one-time revenues. Part of those one-time revenues was the COVID money that we are not going to see coming in again as well as photo enforcement money. Our challenge, collectively, is looking at what we want to do for the rest of the summer. That will be put off a little bit, informed Mr. Grier, as we wait for the water modeling. Mr. Grier stated he does not see any changes in staff down the road. Town Clerk Chapin and Finance Administrator Woody are doing excellent jobs for the town. The overall health of the town couldn't be better and has never been better, concluded Mr. Grier.

Mayor Davis asked if council had any questions. Council Member McDaniel asked how soon the water model study will be done. Mr. Grier replied that he does not know but it seemed like they were getting to it pretty quick. He discussed various things that he wants included in it with the engineer this morning. The contract was signed this morning and the engineer put out an email to those involved that the project was starting. Mr. Grier stated he will try to get the date. Council Member Highstreet asked for the name of the vendor that was chosen to conduct the water model study. Dale Miller with Rick Engineering, answered Mr. Grier. We have used him for a number of years now and he is located in the valley. Mayor Davis asked Mr. Grier if there were a fund reserve number that he would like to recommend to the council. It's a good question and a tough question, responded Mr. Grier, because he thinks there are a lot of moving parts to that. He does not think it is necessary to come up with a number tonight. That will be a number for council to come up with after they see the water model study and start to plan out what capital improvement projects they want to do. If council can line out good capital improvement projects, added Mr. Grier, he is not against putting the foot on the pedal and moving forward with them. He still sees streets and roads projects as the town's number one priority. Money can be spent pretty fast on road projects, concluded Mr. Grier. Mayor Davis asked if there were any other questions. There were none and Mayor Davis opened the meeting up for public comment. There were no public comments. Mayor Davis then closed the public comment portion and asked for a motion.

A motion to adopt Resolution No. R 23-06 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, adopting estimates of revenues and expenditures/expenses shown on the schedules attached as the tentative budget of the Town of Star Valley for the fiscal year 2023/2024 in the amount of \$14,050,100 was made by Council Member McDaniel and was seconded by Council Member Armington.

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.

- **ADJOURNMENT**

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

The motion was voted on and passed 7 – 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 16th day of May 2023. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 24th day of May 2023.

Edie Chapin, Town Clerk