

**MINUTES OF TOWN COUNCIL MEETING
TOWN OF SNOWFLAKE
HELD 04/09/2013**

1. CALL TO ORDER/ROLL CALL at 7:00 p.m.

Mayor Kelly Willis—excused, Vice Mayor Jason Whiting, Chris Brimhall, Kerry Ballard, Stuart Hensley, Tom Poscharsky, Bev Kay STAFF: Paul Watson—excused, Bob Hall, Barbara Flake, Jerry Van Winkle, Steve Schneider, Cathie McDowell

2. PRAYER/PLEDGE Brimhall/Ballard

3. MAYOR’S PROCLAMATIONS & ANNOUNCEMENTS

Vice Mayor Whiting recognized Kyle Jones, successful golf athlete and graduate of Snowflake High School. Jones was spotlighted for his achievements by the Big 12 Conference. He also was named as “Player of the Week” by Golf Weekly. Whiting stated that Steve Schneider, Golf Pro at Snowflake Golf Course, has been voted as one of the top coaches in the state.

4. CALL TO PUBLIC

Cindy Schreiber issued an invitation to Council to ride along in the “Meals on Wheels” program. The time to meet at the Senior Center is 9:45 a.m. for a 45 minutes ride delivering meals to individuals that can not leave their homes. She said there are individuals that would like to talk to the Council and this would be an opportunity for Council to meet these individuals.

5. CONSENT AGENDA

A. Approve Council meeting minutes dated 03/26/2013.

Motion by Poscharsky, 2nd by Ballard, to approve the Consent Agenda as presented. Motion passed; unanimous

6. DISCUSSION/ACTION ITEMS

A. Approve One-Day Liquor License for White Mountain Submarine Veterans. Barbara Flake stated that Buck Biddle, representative of White Mountain Submarine Veterans is unable to attend the meeting. The license is being requested for a golf tournament to be held on August 3, 2013. Poscharsky said this has been approved in previous years.

Motion by Ballard, 2nd by Brimhall, to approve the One-Day Liquor License for White Mountain Submarine Veterans. Motion passed; unanimous

B. Approve purchase of fertilizer for Snowflake Golf Course. (Steve Schneider) Schneider said the purchase amount exceeds \$5,000 limit and is being brought to Council for approval. He said this item is budgeted. He said staff has used chicken manure for the past few years but it is now necessary to do this type of fertilizer (ammonia sulfate). He said the low bid if from Fertizona in the amount of \$12,794.

Motion by Kay, 2nd by Hensley, to approve the purchase of fertilizer from Fertizona in the amount of \$12,794. Motion passed; unanimous

C. Approve amendment of Computer Technologies Agreement. (Jerry Van Winkle) Van Winkle said laptop computers were purchased several years ago for use in police vehicles but were not in use because there was no capability for wireless connectivity. He said the canopy project was completed this year however the connectivity only covered some areas in Snowflake. He said another option to obtain service to the police vehicles was found with Verizon Wireless air cards. He said it is now necessary to add these laptop computers to the current technology contract with Computer Technologies changing the monthly total for services from \$552 to \$972. This item was not included in the budget because the laptops were not in use.

Motion by Kay, 2nd by Poscharsky, to approve amendment of contract for the police department's computers as presented. Motion passed; Brimhall, Ballard, Whiting, Poscharsky, Kay—for and Hensley recusing because conflict of interest

D. Approve Resolution No. 13-04 Supporting the Arizona Governor's Medicaid Plan Whiting stated that in order for this item to be addressed in an orderly manner two individuals could speak for each side. Whiting clarified that the resolution is to support the Governor's Medicaid Plan. The following comments were made:

Cindy Schreiber, Director of Senior Center:

- Seniors of Snowflake and Taylor are in favor of the Plan
- People are struggling and doing without
- If the programs are not available, people will have to choose whether to purchase medications or food
- New programs will cover more areas and more seniors will qualify and be able to live on their fixed income
- Seniors feel people aged 60 to 65 will be affected negatively if there is no program
- Feels seniors support this resolution

Becky Gibson:

- It will cost Arizona hundreds of millions of dollars because that is how federal programs are paid for
- Feds are allowed to change the rules
- There are projected cost savings but savings did not happen when citizens passed Prop 204
- Federal government has said it will have to cut promised reimbursements
- This will create a new bureaucracy
- This will be run by people that were not elected to office
- Increased costs have been seen from Obamacare
- Is it really a job creation if it comes from the federal government
- People who need care can use AHCCS to receive help

- It is never free money and must be paid back somehow
- It is part of Obamacare and is not good for the nation or the state
- It is pushing towards socialized medicine
- Understands the majority of the legislature is against this plan
- Hospital is private and make money—citizens don't need additional taxes
- Sylvia Allen has stated that state could spend for the small group of childless adults
- Don't think this bandaid to cover losses will solve the problems because there will still be some that use the emergency room
- Citizens of Arizona can be taken care of with AHCCCS
- Circuit breakers can result in Arizona holding the bag

Ron McArthur:

Financial Facts for Summit Healthcare

- Gross Revenue \$353,928.394
- Salaries and Benefits \$67,919,906
- Medicaid (AHCCCS) hospital wide payer mix 23%
- OB Medicaid Payer Mix 73%

In 2011 AHCCCS payments were reduced 10 % and the Prop 204 AHCCCS benefit (childless adult coverage) was phased out to balance state budget

- 10% payment cut reduced hospital payments by \$2,605,215/yr
- Elimination of Prop 204 benefit reduced hospital payments by \$4,842,118/yr

Eliminating Prop 204 Benefit has increased bad debt expense and charity care—childless adults use the emergency room as primary care

- 2012 bad debt expense and charity care increased \$3,079,870 over 2011 with a monthly run rate of 1.5 million/month
- 2013 January & February bad debt expense and charity care are 4.5 million with a monthly run rate of \$2.25 million
- 2012 bad debt expense and charity were 18 million and if the current run rate continues 2013 will be 27 million
- Summit can not sustain these large increases in bad debts and charity care without cutting service lines with OB being the biggest loss leader

Benefits of the Governor's Plan to restore Prop 204 and Expand Medicaid (AHCCCS)

- The \$4,842,118/year cut would be restored reducing hospital bad debt and charity care expenses
- Expanding Medicaid coverage from 100% for the Federal Poverty Limit to 133% of the Federal Poverty limit would increase access to Medicaid statewide by 57,000. Impact on our service area TBD
- Hospitals would pay a hospital provider assessment to obtain federal matching funds to pay for restoring Prop 204 and expanding Medicaid to 133% of the federal poverty level

Additional comments—

- Voters have voted to approve Prop 204 2 times
- Prop 204 was voted on before Obamacare
- There is a safety net so if the federal government backs out the programs can be eliminated—this is not a tax to the citizen
- Hospital does cost shifting (hidden tax) to cover those who can't pay
- Arizona is one of three states not taking advantage of this plan
- Arizona has one of the highest number of uninsured
- A number of hospitals are dependent on this plan passing
- Legislative Representatives of this area are not in support
- No pay increases to employees; building projects on hold; 1 million in profit last year from investments only

Recommendation of the Governing Board Summit Healthcare

- Request Senator Chester Crandell, Representative Brenda Barton and Representative Bob Thorpe to support Governor Brewer's Medicaid Plan

Council comments:

- Whiting said he understands the concern is an increase of taxes
- Kay said she has been impressed with the Governor since she is against Obamacare and would like to know why the legislature is against this plan
- Ballard said if people don't get funding from the state they just go to the emergency room and costs rise
- Whiting said there will be circuit breakers in place
- Whiting said if stay the course insured will see rates going up because of those going to the emergency room without insurance
- Poscharsky said there is the possibility that the hospital will give up OB care and he is hearing hospitals in other areas are in worse shape
- Whiting understands hospital is operating in the red and only profit came from investments in 2012
- Brimhall said based on information from Goldwater Institute, the Governor wants to expand Medicaid now but it can be done in the future
- Brimhall feels we elected representatives to represent us and we should let them make the decision
- Brimhall said he is representing the citizens of the town and would not vote for the resolution

Gibson said Council may want to consider more information. She asked if all options have been looked at. She feels more details are needed. She said if the hospital pays the fee and receives free tax money then the taxpayers will be hit. She said this adds taxes to future generations. She said she appreciates the hospital in our area.

Ballard asked when the legislature will need to vote. Poscharsky thinks the vote will be in May. He said Arizona being one of three states not participating will not curtail money

from the federal government. Hensley said he does not see the rush because the state can opt out or in. Whiting said the rush is the hospital is trying to keep the doors open. Ron McArthur said it is a matter of survivability. Cathie McDowell said the area has already lost one large employer and people would move if there is not a hospital. She said it is 927 jobs and the voters said yes to Prop 204. Ron McArthur said when Prop 204 was frozen the hospital experienced a \$4 million loss and this expansion would restore that money. Poscharsky said the system has evolved. He said there is a need to keep employment on the mountain and to keep the hospital. He said we need to take advantage of the program and he is in favor of doing what is necessary. He said he takes comfort that the Governor was against the program and now has turned around. McArthur said Yavapai and Coconino Counties have approved the resolution. Kay said she is concerned by the lack of knowledge and does not feel Council received enough information. She said she is voting for all the town citizens and needs a little more time. Hensley agreed that he needs more information. Whiting said information was given from both sides tonight. Kay said she does not know what is on the Governor's mind and why the legislature is against the plan. Whiting feels he received enough information by researching when he realized this item was on the agenda. Lowry Flake said this is a moral issue and that it is not our place to put our children and grandchildren in debt. He said we need to pay our own bills and not put them on our children. Whiting said he agrees philosophically. He said Prop 204 came before Obamacare and it is hard to tie everything back to Obamacare. He said it is concerning how this will impact our area. He said the resolution is something we can do. He said losing the hospital is real and on the table. Brimhall asked if the hospital is going to close. McArthur said the hospital is not closing but maybe OB will close. He said 45% of births are unwed mothers. He said there are about 80 jobs in that department. Brimhall said if 45% of births are unwed mothers it is a morality issue. He does not think throwing money at it is the answer. He said the issue is bigger than we are and Council should let the legislature handle it. Whiting said the voters voted twice for Prop 204 and the legislature pulled the program. He said he understands if Council wants more information but he does not understand if Council just wants off the hot seat. Ballard said it would be beneficial if the item is tabled for 2 weeks to see why the legislature is against the plan.

Motion by Poscharsky, 2nd by Ballard, to table item for 2 weeks to gather additional information. Motion passed; unanimous

Whiting asked Flake to send requests for information to the Governor, Representative Barton, and Senator Crandell

7. COUNCIL MEMBER'S SUMMARY OF CURRENT EVENTS

Ballard said the flag on the pole at the Police Department was hanging by one rope. Van Winkle said they did not want to endanger anyone's life to remove the flag but when the winds died down, the flag was taken down with the help of the Fire Department.

Poscharsky said Prospect Global Potash stock has dropped to 20 plus cents. He said some good news is that the preliminary economic assessment for Passport Potash. He said they

are in the Fareast looking for a strategic partner. He said their forecast is for 1800 direct jobs.

Kay said she watched a group of people in the community put a house together without government help. She said that is commendable for people to see a need and take action to fill that need. She feels Snowflake is a great town with great people.

Whiting said he noticed that the building at the Little League Field had a new roof. He said staff said the supplies were ordered from All Custom and the company donated the installation. Whiting announced the Chamber of Commerce Awards dinner, Friday, April 12th, at 6:00 p.m., and tickets can be purchased at the Chamber offices.

8. MANAGER'S SUMMARY OF CURRENT EVENTS AND REPORT

No report

9. ADJOURNMENT at 8:14 p.m.

I certify that the foregoing minutes are a true and correct copy of the Town of Snowflake Council meeting held April 9, 2013. I further certify that the meeting was duly called and a quorum was present.

Barbara Flake, Town Clerk