

**MINUTES OF TOWN COUNCIL MEETING
TOWN OF SNOWFLAKE
HELD 06/25/2013**

1. CALL TO ORDER/ROLL CALL at 7:09 p.m.

Mayor Kelly Willis, Vice Mayor Jason Whiting, Bev Kay, Stuart Hensley, Kerry Ballard, Tom Poscharsky—*attending by phone* STAFF: Paul Watson, Bob Hall, Barbara Flake, Rob Emmett, Brian Richards, Terry Cooper, Dale Call

2. PRAYER/PLEDGE Willis/Whiting

3. MAYOR'S PROCLAMATIONS & ANNOUNCEMENTS

Mayor Willis announced the "Town Clean-Up" to be held June 29, 2013. All who wish to participate should meet at Frederickson Park at 9 a.m. to walk to Pioneer Park picking up trash along the way. Participants will receive a voucher good to take a load of their own trash to Larson Waste. Residents not participating can purchase a voucher for \$60 at Town Hall.

4. CALL TO PUBLIC

No comments

5. CONSENT AGENDA

A. (4) Approve Council meeting minutes dated 05/28/2013.

B. (6) Approve Invoice from Brown & Brown Law Offices dated 06/06/2013.

Ballard, Kay; unanimous

Motion by Ballard, 2nd by Kay, to approve Consent Agenda. Motion passed; unanimous

6. DISCUSSION/ACTION ITEMS

Poscharsky attending meeting by telephone.

- A. (7) Consideration and Possible Adoption of a Resolution approving the sale and execution and delivery of Excise Tax Revenue refunding obligations evidencing a proportionate interest of the owners thereof in a Purchase Agreement from the Town; approving the form and authorizing the execution and delivery of such Purchase Agreement and other necessary Agreements for such sale; delegating authority to determine certain matters and terms with respect to the foregoing; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution and Declaring an Emergency. (Brian Richards)

Richards presented Council with information explaining Series 2003 Refunding. He said the Town in 2003 borrowed \$4.2 million at variable interest rate averaging 5%. He said a bid process was followed for the refunding and the best bid was received from Pinnacle Public Finance at 2.09%. He said the new debt will be for \$2,255,000 for 10 years. He said the cash flow savings will be \$730,059 and the net present value savings will be \$335,800. He said the term of the loan is not increasing and it is at a lower interest rate.

Poscharsky said this is great because it is substantially below the Treasury's rate. Richards said the Town gave 30 days notice on June 9th to the current company.

Motion by Willis, 2nd by Ballard, to approve Resolution No. 13-07. Motion passed; unanimous

- B. **(85)** Consideration and Possible Adoption of a Resolution approving the sale and execution and delivery of Utility Tax Revenue refunding obligations evidencing a proportionate interest of the owners thereof in a Purchase Agreement from the Town; approving the form and authorizing the execution and delivery of such Purchase Agreement and other necessary Agreements for such sale; delegating authority to determine certain matters and terms with respect to the foregoing; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution and Declaring an Emergency. (Brian Richards)

Richards explained that the Town currently has a debt outstanding of \$1.5 million with the Water Infrastructure Finance Authority (WIFA) that was borrowed in 2002 for wastewater expansion. He said the loan matures in 9 years with an interest rate of 3.46%. He said the Town wants to refinance this loan and borrow an additional \$700,000 for capital improvements to the water system. The additional \$700,000 in new money is for the following: Well Site 1—Tank rehabilitation (\$300,000), Well Site 4—300,000 gallon storage tank (\$300,000), Well site 3—New pump/rehab (\$100,000). He said the new loan carries an interest rate of 2.09% for 10 years and the new debt service payments will be on average \$31,000 higher per year.

Willis asked if it would be critical if the extra money was not borrowed. Watson said the projects need to be done but not necessarily this year. He said higher financial and construction costs are possible due to inflation so it is a financial decision to take advantage of lower rates and construction costs. Richards said these projects are listed in capital improvements now and staff was going to budget \$200,000 and \$300,000 each year for a softer blow. Willis asked if because of the lower interest rate the total loan outcome would be about the same. Richards said the Town would save \$40,000 if the \$700,000 was not borrowed but with borrowing that amount the total is of the loan is only slightly higher. Poscharsky said a new quote would not be as good as this one. Richards said that a raise in rates will not be necessary after the next planned increase if this loan is done. Willis said he would like to see the entire loan paid off before more is borrowed. He asked if there is a chance to pay the loan off early. Richards said rates could be raised to pay off the loan early.

Motion by Kay, 2nd by Poscharsky, to approve Resolution No. 13-08. Motion passed; unanimous

Council Member Poscharsky was excused.

- C. **(175)** Consideration and Possible Approval of Budget Adjustments for Fiscal Year 2012-13. (Brian Richards)

Richards explained that budget adjustments are necessary to comply with State Law because the legal level of budget control is at the departmental level. Willis asked for an explanation of the adjustment from the Southern Solution to the Fire Department. Richards said the Town received delivery of a new fire truck in this fiscal year's budget. He said the Town prepaid for the new fire truck in the last fiscal year budget. The Fire Department did not have the funds in their budget last year. He said a transfer from one department to another is necessary to cover the expense. He said grant funds were received for the fire truck. He said it is also necessary to make an adjustment for the expenditures of wages paid for wildland fires. He said the Town received the revenues for these wildland fires. Richards said that more funds were transferred to the attorney line item to ensure costs would not go over the budgeted amount and the engineer line item was added. He said both of these items were taken from Southern Solution.

Watson said that by State Law if any line items go over then you have to show what other line items will cover the amounts. Richards said the adjustments are within the budget balancing.

Motion by Ballard, 2nd by Kay, to approve the budget adjustment as presented. Motion passed; unanimous

D. **(177)** Consideration and Possible Approval of Tentative Budget for Fiscal Year 2013-14. (Brian Richards)

Richards explained the tentative budget is for \$10,101,120 in expenditures/expenses for FY 2013-14, a decrease of \$14,970 from last year. He said if the tentative budget is passed this evening, the Town will prepare and publish Schedule A of the Auditor General forms in the newspaper for 2 consecutive weeks and then have a public hearing on July 23, 2013. The final budget will then be presented to the Council for approval. Richards said the tentative budget was prepared from the budget work session held on May 28, 2013 and only minor changes were made to that budget. Those changes were the addition of the refinancing and the increase of a couple of line items related to the Southern Solution Flood Control Project. Ballard said he is amazed that the Town can get by on this and Show Low just approved a \$48 million budget. Richards said the Town is conservative in revenues and expenses. He said the Town does not spend more than is brought in and only borrow for capital needs.

Motion by Willis, 2nd by Whiting, to approve the tentative budget for Fiscal Year 2013-14 as presented. Motion passed; unanimous

Kay said Richards does a good job to keep the Town in line and with budget. She said she appreciates the work that is done. Richards said the tentative budget will be published in the paper for 2 weeks and a public hearing will be held the 2nd meeting in July to approve the final budget.

E. **(201)** Consideration and Possible Approval of Amendment No. 1 to the Professional Services Agreement with Wood Patel & Associates for the Water System Infrastructure and Energy Master Plan. (Rob Emmett)

Emmett said staff has been working with Wood, Patel & Associates in completing a Water System Infrastructure and Energy Management Master Plan which is partially funded by the Water Infrastructure Finance Authority of Arizona (WIFA). The WIFA grant agreement specifies that the project cost would be funded equally by the Town and WIFA. The original proposal was to cover Wood, Patel & Associates fee by the WIFA grant and the Town match would be in-kind services. Emmett said staff's involvement in the development of the computerized hydraulic model was substantially less than anticipated resulting in less in-kind services being utilized as matching costs. He said Wood Patel provided significantly more man-hours towards completing the computer model and making it operational resulting in more hard costs and less in-kind services. Emmett explained the costs of work being performed and requested that the amendment be approved to allow Wood Patel to finish the project and meet the requirements of the WIFA grant. He said if the amendment is not approved than the Town would have to pay WIFA back in order to have a 50/50 match.

Watson said the finished model will show what the current water system is and how it serves the community. He said it will also show the capital needs of the water system to be able to meet the needs of the community in the future.

Willis asked for the timeframe of the work and if the work is vital. Emmett said the project has been worked on for 13 months and he is pleased with the outcome. He said it is something that can be relied on to plan for the future. He said the assessment of the water system shows no major problems now but it is the first step in meeting future demands. He said a lot of Melo's time spent on mapping was included in this project as in-kind services.

Motion by Willis, 2nd by Ballard, to approve Amendment to the Professional Services Agreement with Wood, Patel & Associates for the Water System Infrastructure and Energy Master Plan for the not to exceed amount of \$11,250 and a total contract amount of \$46,250. Motion passed; unanimous

F. **(203)**Consideration and Possible Approval to Purchase Three Additional Omnisite Monitoring Stations for Wastewater Lift Stations. (Terry Cooper)

Cooper explained map of wastewater collection system with lift stations and force mains; Westside or main lift stations feed into wastewater plant; health and welfare of community critical to; 9 lift stations 8 of which responsible for maintenance and repair

Terry Cooper explained the operation of the wastewater lift stations. He said the current alarm notification at most lift stations is a red warning light which indicates that some kind of failure at the lift station and sewage levels are close to overflowing. He said immediate response is necessary and critical to avoid spillage; however, the Public Works Department is dependent on someone noticing the light and reporting it. He said the Omnisite Monitoring Stations will monitor equipment operations at the lift stations and alert designated personnel in the event of mechanical failure prior to becoming an emergency situation.

Cooper said that there are multiple options for alerts which include phone dial-up and/or e mail message depending on the severity of the alert. He said the monitors can also pull daily data relating to pump times, flow rates, and electrical power and can supply system operators with daily reports. Cooper said staff wants to monitor pumps and vacuum pumps for the sewage pumps. He said alerts received will allow staff to address and plan maintenance if needed. He said there is money in the wastewater budget to cover the costs. He said a majority of municipalities use these devices. He said this system will alert if the back up generator runs more than 1 hour. He said there is a monthly fee of \$23. Hensley questioned if there is fiber available so the fee could be eliminated. Cooper said he will look into that in the future.

Cooper said there is one unit that has been in operation for a week and has identified a problem at the westside lift station—one of the pumps was not switching on and the pumps are meant to alternate run cycles. Staff was able to perform the necessary maintenance.

Motion by Ballard, 2nd by Whiting, to approve purchase of 3 Omnisite Monitoring Stations to be used for monitoring Wastewater Lift Stations from JCH, Inc. for an amount not to exceed \$11,500. Motion passed; unanimous

G. **(204)** Consideration and Possible Approval of Appointments to the Planning and Zoning Commission. (Paul Watson)

Willis stated that there is an opening on the Planning & Zoning Commission. Watson said this item is to make Council aware of the need to fill a vacancy and to ask that they make recommendations. Willis said Council will consider the item for a future appointment.

H. **(205)** Consideration and Possible Approval of Appointments to the Historic Review Committee. (Paul Watson)

Watson informed Council that there are two vacancies on the Historic Review Committee. He said one of the appointments must be from the Town Council and one appointment must be from the Planning & Zoning Commission.

Motion by Whiting, 2nd by Kay, to appoint Council Member Lynn Johnson to the Historic Review Committee. Motion passed; unanimous

Dale Call said he would check with the Planning & Zoning Commission to see who would like to serve on the Historic Review Committee.

7. COUNCIL MEMBER'S SUMMARY OF CURRENT EVENTS

Ballard said there is an issue in Town regarding prairie dogs in gardens. He said there is a no shoot rule even with a pellet gun. He said that if the Police Department is contacted then a person can shoot with a pellet gun. Watson said there is a season governed by the Game and Fish Department.

8. MANAGER'S SUMMARY OF CURRENT EVENTS AND REPORT

Watson encouraged all to participate in the Town Clean Up which starts at Frederickson Park. He said hotdogs would be served at the end of the clean up at Pioneer Park. Word regarding the clean up can be spread by "liking" the event on the Town's facebook page.

Watson said Arizona Public Service has printed their annual report.

Watson informed Council that he received notice from the National Parks Service that a proposal for Multiple Fire management Strategy is open for public review.

9. ADJOURNMENT at 8:30 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the Town of Snowflake Council meeting held June 25, 2013. I further certify that the meeting was duly called and a quorum was present.

Barbara Flake, Town Clerk