

**MINUTES OF TOWN COUNCIL MEETING  
TOWN OF SNOWFLAKE  
HELD 07/08/2014**

**1. CALL TO ORDER/ROLL CALL** at 7:05 p.m.

Mayor Kelly Willis, Vice Mayor Jason Whiting, Bev Kay, Stuart Hensley, Kerry Ballard, Tom Poscharsky—excused, Lynn Johnson—excused

**2. PRAYER/PLEDGE** Willis/Kay

**3. MAYOR’S PROCLAMATIONS & ANNOUNCEMENTS**

Mayor Willis read a thank you note from Kelly Jones, daughter of Frank Shugart. She thanked the Town and Snowflake Fire Department for the tribute paid to her father during his funeral services. Frank Shugart was long-time member of the Snowflake Fire Department.

**4. CALL TO PUBLIC**

No comments

**5. CONSENT AGENDA**

A. Approval of Council Meeting minutes dated 06/10/2014.

B. Approval of Invoices—Emmett Engineering, LLC dated April, May & Jun 2014.

C. Approval of Invoice—CMI Engineering dated May-Jun 2014.

D. Approval of Invoice—Robert M. Hall, P.C. dated April 2014.

E. Approval of Invoice—Brown & Brown Law Offices, P.C. dated Jun 2014.

F. Approval of Invoices—Interim Public Management, LLC dated May 30, Jun 15&29 2014.

*Motion by Ballard, 2<sup>nd</sup> by Hensley, to approve the Consent Agenda. Motion passed; unanimous*

**6. DISCUSSION/ACTION ITEMS**

A. OPEN PUBLIC HEARING: Town of Snowflake Final Budget FY 2014/15.

*Motion by Ballard, 2<sup>nd</sup> by Willis, to Open Public Hearing. Motion passed; unanimous*

No public comments

B. CLOSE PUBLIC HEARING

*Motion by Willis, 2<sup>nd</sup> by Kay, to Close Public Hearing. Motion passed; unanimous*

C. Consideration & Possible Approval of Resolution No. 14-11 Adopting the Budget for the Town of Snowflake for FY 2014/15. (Brian Richards)

Richards said that there are no changes to the budget from what has been previously presented. He said the budget has been published in the paper and the auditor general reports are included. He said the resolution needs to be approved by Council.

***Motion by Kay, 2<sup>nd</sup> by Whiting, to approve Resolution No. 14-11 Adopting the Final Budget for the Town of Snowflake FY2014/15. Motion passed; unanimous***

D. Presentation and Discussion regarding FY 2014/15 HURF Budget. (Terry Cooper) Cooper reviewed the proposed HURF budget FY 2014/15, proposed projects FY 2014/15, and a chart that reflects man-hour allocation for all Public Works Departments for the calendar year 2013. Cooper explained the two main items in the proposed budget—maintenance materials and capital outlay. He stated that the projected capital projects for Water total \$476,500, Sewer total \$70,000, and Streets total \$256,003. He described a proposal for downtown traffic calming measures that would include bike and pedestrian pathways. He said 2 roads being considered for possible asphalt overlay are 8<sup>th</sup> South from Centennial back to 7<sup>th</sup> South (probable detour route) and 4<sup>th</sup> West continued to 7<sup>th</sup> South. He explained that miscellaneous materials are oils for the spray patcher, AB for dirt road maintenance, sign equipment, and culverts.

He explained the allocation of labor within the Public Works Department for the 2013 calendar year. In response to questions from Willis and Whiting, Cooper said that there are 11 employees excluding him with 3.5 dedicated to roads and 2.5 dedicated to sewer. Willis asked where the most time was allocated. Cooper stated that the most time is allocated to water related functions. He said there were more than 20 water main breaks and an even greater number of service leaks requiring immediate response along with daily checks of well sites and water service calls. Ballard said the biggest complaint regarding water from citizens is the slow pressure west of town. Cooper said that Will Wilson was a benefit in getting a handle on the issue with water pressure on the west side and the issue has been rectified. He said that Wilson has a system in place to be alerted which aids in a quick response. Whiting questioned if HURF only pays when streets are involved. Watson said Cooper tracks all the hours spent on every project resulting in a report showing personnel from water and sewer help with streets and personnel from streets help with water and sewer. He said all the monies from water, sewer, and HURF pay for these services. Cooper said the tracking is a good management tool showing where personnel are needed and also helps with the budget. Richards said that for this calendar year the exact amount for each employee's time will be charged to HURF. He said it will be below the salaries/wages in the HURF budget.

Jarom Hatch stated that so much more could be done with the \$1.7 million HURF monies received by the Town over the past 3 years. Mayor Willis read the following statement from the Independent Auditors' Report on State Legal Compliance prepared for the Town by HintonBurdick CPAs & Advisors:

“In our opinion, the Town of Snowflake complied, in all material respects, with the requirements identified above for the year ended June 30, 2013.”

The report included a statement that the Highway User Revenue “funds are administered in accordance with Generally Accepted Accounting Principles. Sources of revenues available and fund balances are reflected in the individual fund financial statements.” Mayor Willis said that the costs for road work are not material only. Cooper added that labor and equipment would also be included. Hatch stated that the Town’s patch work costs are increased when administration, labor and equipment are included. Whiting said that administration would be involved no matter who does the work. Hatch said the costs would be less if the Town had less employees. Willis said the Town has to have personnel in place to do all the work and provide services. He said that almost all revenues received by municipalities have requirements dictated. He said that the 3.5 employees dedicated to roads also help in other areas. Hatch said the Town can function without 3.5 personnel in Public Works and would still have 8 personnel to take care of water, sewer, building, and electrical. He said he is calling for a complete culture change by shrinking the employees in Public Works and turning over the road work to the private sector. He said he is asking employees to focus on water, sewer, building, and electrical and to let contractors who are licensed, bonded, and specialized in their trade do a better job with streets. He said the Town would get competitive prices if projects go out to bid in the winter for work to be done in late winter/early spring. Watson said there is a place for private contracting. He asked if Hatch was aware of any community that contracts out all of their street work. Hatch said there is a community in Georgia. Hatch said that he sees contractors doing work on the roads in Maricopa County. Watson said he was involved in a community that contracted 100% of street work with 1 contractor who then subcontracted the work. He said that over time the community found that to be able to respond properly to citizens they needed to do services, for example, snow removal. He said that the community now contracts major road work but all of the little projects and service are done in-house. He said this country is built on free enterprise, not free enterprise off taxes and you are asking for taxes to go to private enterprise. Willis said that he takes issue with Hatch saying that administration is taking so much of the pie that there is little left to do the actual work. He said that a municipality can’t spend public funds without engineering and fulfilling requirements on what can be done. He does not believe that Hatch understands what the Town goes through to get the money to give to a contractor. Hatch said he has been in asphalt maintenance for 10 years and he does not have those requirements for maintenance and he can do a better job. He said he wants to be helpful. He said that Taylor had the worst roads for 5 years and now they are better with a slurry seal done for the second time. He feels slurry seal is the best option for Snowflake roads. Cooper said that the Town does have roads that qualify for slurry seal but a lot of the roads are in need of crack sealing previous to slurry seal. Hatch said that cracks will come through an overlay which is more expensive. He encourages doing slurry seal on the entire town. Cooper said the purpose of overlay is to reestablish the crown in the road to get water off the road. Hatch said that if nicer streets are wanted than the Town should concentrate on hiring a contractor to do the work. He said roads impact real estate values and the economy. He said as a citizen of this town he wants to help make it better.

E. Consideration & Possible Approval of Renewal of Arizona Public Service Streetlight Energy Agreement, Streetlight Pole Use Agreement, and Streetlight Maintenance Agreement with the Town of Snowflake. (Terry Cooper)

Cooper stated the following:

The Arizona Public Service (APS) has proposed renewal agreements with the Town for energy usage, pole use, and maintenance. The last agreement was authorized in 1991. The proposed agreements will have very little impact to our current budget. The energy usage is not changing. The pole use fee is \$6.87 per pole per year. This also is no change from current costs. The Town currently has 75 poles that reflect this fee. The maintenance agreement has a proposed increase of \$0.85 per light per month. The current rate is \$1.50 and is proposed to increase to \$2.35. The Town has 179 lights which equates to an increase of \$152.15 per month. These agreements with APS are necessary for street lighting, communications and general Town operations. Staff recommends approval of the Streetlight Energy, Streetlight Pole Use, and Streetlight Maintenance Agreements.

Watson said the agreements are necessary. Hall said producing plants are being lost because of the federal administration.

***Motion by Ballard, 2<sup>nd</sup> by Hensley, to approve agreements with Arizona Public Service. Motion passed; unanimous***

F. Consideration & Possible Approval of Construction of Building for Generator at Snowflake Fire Station. (Pat Hancock)

Hancock said that Council approved funding in 2012 to install electrical infrastructure improvements relating to an emergency generator and electrical conduits. He said after these improvements were complete, a small building was to be constructed to protect and secure the electrical generator. Hancock said the required infrastructure has been completed and now the construction of a building is needed. He requested Council to approve this project and funding to complete the fire station generator project. He said a cost estimate has been requested from a local supply company but has not been received. Hancock requested that Council approve an amount not to exceed \$15,000 based on staff estimates. Watson said Council approved acquiring the back-up generator and getting into service in 2012 and this project needs to be completed. He said in order to function properly the generator needs to be inside a building. Hensley asked if this project would affect the proposed IGA with Taylor. Watson said that what is owned by the Town remains with the Town.

***Motion by Ballard, 2<sup>nd</sup> by Willis, to approve building for the generator at the Snowflake Fire Station. Motion passed; unanimous***

G. Consideration & Possible Approval of 1<sup>st</sup> Reading of Ordinance No. 14-06 Amending Town Code 1-8-1: Purchasing Agent; Authority. (Paul Watson)

Watson explained contemplated versus budgeted items. He said staff would like to increase the spending limit from \$5,000 to \$20,000. Whiting asked if items are approved in the budget why does staff have to come back to Council for approval. Attorney Hall said the Town Code currently says Council approval is needed for purchases over \$5,000.

Kay said she wants to know where departments are moving their money and would be more comfortable with \$10,000 limit. Watson said that if money is not budgeted for an item or monies are being moved staff would be asking for Council approval.

*Motion by Willis, 2<sup>nd</sup> by Whiting, to approve 1<sup>st</sup> reading of Ordinance No. 14-06 Amending Town Code 1-8-1: Purchasing Agent; Authority from \$5,000 to \$15,000. Motion passed; unanimous*

## **7. COUNCIL MEMBER'S SUMMARY OF CURRENT EVENTS**

Hensley thanked John and Bev Kay for their work on the Chamber Dinner and Auction. He said they are people who care about the community and it shows.

Ballard said Vice Mayor Jason Whiting was recently appointed as Vice-Chairman of the Apache & Navajo Counties Mayors and Council Members Association.

Whiting said Pioneer Days should be fun this year with lots of volunteers and semi-trucks in the car show.

Kay said there is unity in the community with the different religions serving on the Community Values Committee.

## **8. MANAGER'S SUMMARY OF CURRENT EVENTS AND REPORT**

Watson stated the following:

There is no business as of now to place on a Council agenda for the July 22, 2014 meeting. The next meeting will be August 12, 2014.

Raise A Barn Project will be held Friday, August 8, 2014, at the Snowflake Fire Station.

The 4-FRI—White Mountain Stewardship starts on the west side and does not move here for a few years. Work is being done to get other contracts that have been approved. The problem is hauling trees to a location. There is work being done to get the Forest Service to subsidize hauling costs. There is significant progress that will help Novu Power and the plant in Eagar.

Apache Railway is still trying to finalize the loan from the Federal Railway Administration. Council can call him for more information.

Southwest Renewable Resources is open at the Smith Molding site producing bedding material for cats and horses. They are interest in producing pellets. There are about 7 employees and that number could increase up 20 if a new contract is obtained.

Western Molding is up and running with 15 to 20 employees.

Fire restrictions are lifted as of today.

The candidates on the ballot of the upcoming Primary Election are as follows:

Mayor—Jason Whiting

Council Member—Cory Johnson

Terril Kay

Byron Lewis

Daniel Erwin Prestwich

**9. ADJOURNMENT** at 8:55 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the Town of Snowflake Council meeting held July 8, 2014. I further certify that the meeting was duly called and a quorum was present.

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Barbara Flake, Town Clerk