

**MINUTES OF TOWN COUNCIL MEETING  
TOWN OF SNOWFLAKE  
HELD 05/12/2015**

**1. CALL TO ORDER/ROLL CALL**

Mayor Tom Poscharsky—by phone, Vice Mayor Kerry Ballard—conducting, Lynn Johnson, Stuart Hensley, Byron Lewis, Cory Johnson, Terril Kay STAFF: Brian Richards, Bob Hall, Barbara Flake, Terry Cooper, Cathie McDowell

**2. PRAYER/PLEDGE** Hensley/Johnson

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

*Recognition of former Town Manager Paul Watson*

Paul Watson was recognized by Council, staff, and former employees of the Town. He was presented with a golf bag monogrammed with his name and years of service to the Town. Watson said it was a pleasure to work for the Town and that he always felt support from the Council, staff, and most of the community. He said he thinks potential industry is knocking on the door in Snowflake and that with Walmart starting construction other retail will also come bringing great benefits to this economy. He said retail (sales tax) is the bread and butter of rural Arizona. He said working in cooperation with the Town of Taylor will make great steps forward to establish unity, a strong economy, and a quality of life people seek. He wished Brian Richards the best. He said good things will happen with the support of staff. Watson said that in his new position he will have opportunities to help more with the economy. He said that if jobs come, people will come, then rooftops, then retail, recreation and amenities. He thanked his wife, Lisa, for her support.

**4. CALL TO PUBLIC**

Cathie McDowell stated that the Snowflake Academy Building was nominated by the State Library for a Heritage Preservation Honor Award. She said the State Library has expressed interest in the value and preservation of the Academy Building. She said the Academy Building did not win the award and the reason given was that it was too soon to give the award because the project is not finished; but, it was suggested that the nomination be resubmitted when the project is completed. She said it is not just the community and Academy Foundation contributing to this project. She said the County has contributed hundreds of thousands of dollars, the Snowflake Academy Foundation has raised \$100,000, the Town has given CDBG dollars, and there have been some large donations by individuals. She said this project has been recognized across the State as a valuable project.

**5. CONSENT AGENDA**

- A. Approval of Council Meeting minutes dated 04/28/2015.
- B. Approval of Joint Council Meeting with Town of Taylor minutes dated 04/28/2015.
- C. Approval of Invoice from Robert M. Hall PC dated March 2015.

***Motion by Lewis, 2<sup>nd</sup> by Kay, to approve the Consent Agenda with the amendment to 5A Council Meeting Minutes dated 04/28/2015 adding “the Mayor” before “negotiating a contract” in the motion under Item 6D.***

## **6. DISCUSSION/ACTION ITEMS**

A. Consideration & Possible Approval of Resolution No. 15-07 Acknowledging the Partnering Efforts of Globe District Engineer Jesse Gutierrez. (Brian Richards)  
Richards said the Town is the northern part of the ADOT-Globe District and has felt a little forgotten especially with the Southern Solution. He said that with previous District Engineers, the responses were there was no money. He said that when Jesse Gutierrez became the District Engineer, he approached the Town with a pro-active approach to resolving the highway crossings at SR277. Richards said Gutierrez made it happen and he would like to recognize and nominate Gutierrez for an ADOT Partnering Award.

Rob Toy, Southern Solution Project Manager, said Gutierrez’s leadership was unique and he came to the Town to see how to get this project done. Toy said that Gutierrez really has a spirit of wanting to help this community. Toy said that with a “can do” approach in management style, Gutierrez was able to bridge the gap between the complexities of State government and the rural “get it done” attitude. Toy said the Town is now fully supported and endorsed by FEMA and that FEMA is excited to fund future projects including the Northern Solution. He said ADOT has a “Partnering Spirit Award” and he and Brian Richards feel this is a way to recognize Gutierrez who has put his actions and money where his mouth is.

Jesse Gutierrez thanked the Mayor and Council for the nomination and consideration. He said that he recognized part of the district had not been paid attention to and he made it a priority. He said that this general area will see numerous projects coming through in the next few months to several years. He said he comes from the Douglas area and understands the struggle of rural areas. He said he has the opportunity to improve the infrastructure, increase safety, and mobility which he believes will promote economic prosperity. He thanked Richards and Council for recognizing him. He said that they should feel free to call on him and that he is dedicated to the cause and will help in any way he can. He said Toy and Richards were instrumental in getting things going and he will continue to work together with the Town.

***Motion by Johnson C., 2<sup>nd</sup> by Lewis to approve Resolution No. 15-07 Acknowledging the Partnering Efforts of Globe District Engineer—Jesse Gutierrez. Motion passed; unanimous.***

B. Consideration & Possible Approval of Upgrades to the Restaurant Facilities at the Snowflake Municipal Golf Course. (Terry Cooper)  
Cooper said Council tabled this item to allow staff to look into available options. He said it is not possible for staff to install the ventilation system because it takes a special licensed contractor to do the work. He said staff looked into convection type cooking equipment and found the price to be astronomical. He said it was proposed that the owners of the restaurant contribute to the cost of the upgrades. He said staff talked with

the restaurant owners and it was agreed that they would contribute \$4,000 to be set up on a payment basis paying additional in the summer when revenues are up. Cooper said staff recommends making the upgrades. He said the upgrades will have to be done if the Town facility is going to be kept open as a restaurant.

Johnson L. asked how much the rent is for the facility. He also asked about the longevity of the golf course. Richards said he hoped the longevity of the golf course is a long time. He said the rent for the facility used by the restaurant is \$500 which he feels would be market value. He said he will be working to keep the golf course going and he wants to keep businesses in Town. He said the upgrades will improve the facility. He said if the facility is sold by the Town, it would be an improved facility.

Kay said the restaurant has an agreement in place until 2017 and they have put in a good restaurant. He said he would go along with Richards if he sees this as the best use for the facility. Cathy Evans, restaurant owner, said they have an option to renew and they plan on renewing. She said that the restaurant has a customer base and she feels the restaurant is a benefit to the golf course and the golf course is a benefit to the restaurant. Kay suggested that the \$4,000 be paid by the end of the lease agreement which would be roughly \$166 per month. Evans said they could do that.

Kay asked if investing another \$18,000 in the golf course facility is what the Town wants to do or does the Town see it used for another purpose. Ballard said this is a good use and it benefits the Town.

Johnson L. said he agrees with doing the upgrades if the Town is going to have a golf course. He said if there is a golf course then there should be a restaurant. He said he is not sure the golf course is an asset. Kay said the Council will have to look at the necessity of the golf course. He said the Town has placed substantial money towards the golf course which only some people enjoy when the money could be contributed to something that more people could enjoy. Johnson L. proposed that if the Council is committed that in the next 2 years they can come to a conclusion regarding the golf course and not put it off for the next Council and Manager, then he can support doing the upgrades. Kay said he will commit to that. Richards said he plans to work on what has been stated. He said Council needs to separate this restaurant which is a business and an asset to the Town from the golf course tailoring the discussion to the clubhouse. He said the restaurant will have to close without the upgrades because the facility is out of code. Johnson L. said the Town allowed an asset, the pool, to go down because of a lack of maintenance. Lewis said he would like to maintain an asset rather than fix it later. He said he is reluctant to pull the business from the community.

***Motion by Poscharsky, 2<sup>nd</sup> by Ballard, authorize the upgrades to the restaurant facilities at the Golf Course and amend the contract with "The Skillet" to state that the new equipment is the property of the Town and to state the language of the payment arrangement in the amount of \$4,000 by the restaurant "The Skillet". Motion passed; unanimous***

C. Consideration & Possible Approval of 2<sup>nd</sup> Reading of Ordinance No. 15-08 Property Exchange between Rimrock View Estates, LLC and the Town of Snowflake. (Brian Richards)

Ballard asked for a motion.

***Motion by Johnson C., 2<sup>nd</sup> by Hensley, to approve the 2<sup>nd</sup> Reading of Ordinance No. 15-08 Property Exchange between Rimrock View Estates, LLC, and the Town of Snowflake. Motion passed; unanimous***

D. Consideration & Possible of Approval to Use Asphalt Millings on 8<sup>th</sup> South. (Terry Cooper)

Cooper said Council previously authorized an asphalt overlay at a cost of \$50,000 on West 8<sup>th</sup> Street South (8<sup>th</sup>) with work to be done before the reconstruction project on West 7<sup>th</sup> Street South (7<sup>th</sup>) because 8<sup>th</sup> will be a heavily used detour route during the work on 7<sup>th</sup>. He said the current condition of 8<sup>th</sup> will not support the additional traffic load. He said staff is proposing to use recently acquired fresh asphalt millings and an immediate treatment with a binder material to eliminate the washboard effect on 8<sup>th</sup> at a cost of less than the \$50,000. He said staff would like to use the hot mix (asphalt overlay) on 7<sup>th</sup> to complete the road project beginning where the ADOT portion of the project stops.

Kay said there are not many homes on 8<sup>th</sup> and the road has not been used since 7<sup>th</sup> was constructed. He asked if the road could have pot holes filled and then be graded. He asked if it would be better to work on Hatch/Rodeo Road. Hensley agreed stating that the area of that road going to the ball fields is rough. Cooper said that 7<sup>th</sup> will remain open during construction and 8<sup>th</sup> will not be a signed detour. Johnson C. asked if 8<sup>th</sup> would be considered for this work if there was not a project being done on 7<sup>th</sup>. He suggested patching 8<sup>th</sup> and then using the funds to work on Hatch/Rodeo Road. Richards asked if all the millings will need to be used to patch 8<sup>th</sup>. Cooper said no.

***Motion by Kay, 2<sup>nd</sup> by Johnson C., to authorize usage of the minimum of asphalt millings to make 8<sup>th</sup> Street South usable.***

Staff was directed to use the remaining millings on Town roads as needed.

E. Consideration & Possible Approval to Add/Change Signatures on National Bank Account. (Brian Richards)

Richards said that it is necessary to remove Paul Watson from the approved signatures on the bank account and add another signature.

***Motion by Johnson C., 2<sup>nd</sup> by Kay, to approve the change of signatures on the National Bank account. Motion passed; unanimous***

F. Consideration & Possible Approval of Agreement with Arizona Municipal Risk and Retention Pool (AMRRP) for Refund of Incorrect Payment. (Brian Richards)

Richards said that in 2005 the Town received a payment from First Colony Life Insurance for \$73,446 as the listed beneficiary to a policy in the name of a former

employee. Richards said he questioned the company and was told the Town was listed as the beneficiary. He said that the Town was contacted a few months ago after an audit was conducted at the Arizona Municipal Risk and Retention Pool (AMRRP). He said the results of this audit uncovered that this payment was given to the Town by mistake. He said the audit showed that employees of the AMRRP wrongly identified the Town as the beneficiary of an annuity which AMRRP had purchased. Richards said AMRRP has agreed to give the Town 5 years to pay this money back.

Council comments were made regarding the length of time that has passed and why this mistake was just now discovered. Johnson C. asked what would happen if the Council said no. Richards said that the Mayor would be asked to attend the AMRRP Board meeting to explain why the Town will not pay it back. Attorney Bob Hall said the Town should request to see the proof that led AMRRP to believe a mistake was made. He said that someone 10 years ago thought the beneficiary was the Town. Poscharsky said the issue is if the Town has a legal obligation to pay this back. He said that if the Town signs the payment agreement then there is a legal obligation. Hall said the Town wants to do not only the legal thing but the right thing. He said he does not feel that we have enough information to do either one of those decisions. He said we should ask for a copy of the audit and a comparison of documents should be done. He said this is a reasonable request and he is in Phoenix a lot and can go their offices to talk with them.

***Motion by Lewis, 2<sup>nd</sup> by Kay, to table Item 6F and direct staff to investigate further and get the documents for comparison. Motion passed; unanimous***

G. Consideration & Possible Approval of Future Town Council Meeting Dates.  
(Brian Richards)

Richards asked Council when they would like to have a budget work session. He said that traditionally the Council meeting following Memorial Day has been cancelled. He asked Council to consider going to 1 Council meeting a month. Kay asked when the Tentative Budget is approved. Richards said traditionally the Tentative Budget is approved by the first meeting in June. He said that State law gives until the third week in August to approve the budget. Richards said he would like to have it approved before the new budget year starts so a budget work session could be held the second week in June and then the budget could be approved at the second Council meeting in June which is the fourth Tuesday in June. There was discussion regarding holding a work session and Council meeting on May 26<sup>th</sup> starting at 6 p.m.

***Motion by Hensley, 2<sup>nd</sup> by Johnson C., to hold a regular Council meeting with a Work Session to follow on May 26, 2015. Motion passed; unanimous***

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

Kay recognized Council Member Lynn Johnson for his work with the High School Track Team. He thanked him as a parent and as a community leader saying what a great job Johnson did in his first year. He said the boy's team are state champions.

Johnson C. said he appreciates Johnson L. efforts with the track team and he knows the kids appreciate him also. He said the bar has been set high for the years to come.

Johnson L. said there is a lesson to be learned. He said considering all the kids there was not 1 State Champ. He said some kids competed against nationally ranked athletes. He said their scores of ½ point or 8 points contributed to a team effort and when working as a team good things will happen. He said he appreciates the kids and fans. He said the coach from Rio Rico High School could not believe the fan support which he stated went a long way towards success. Johnson L. thanked the parents of the track team.

Ballard said there was discussion at the Community Values Committee meeting regarding organizing ham radios classes.

**8. MANAGER’S SUMMARY OF CURRENT EVENTS AND REPORT**

Richards thanked Council. He said he has a good staff and team in place and looks forward to working with Council.

Richards gave the following updates:

Real AZ—Paul Watson is over this committee and also represents the County. Comments Council gives to me will be passed on to Paul.

Northland Pioneer College—President Swarthout said a space-use study is being done by a consultant and with the results of that study a decision will be made regarding what will happen with campuses. A Board meeting will be held in October. There was a meeting with Swarthout regarding joint library options and they will be pursued.

Golf Course—Hall will pursue through his contacts a possible study on the golf course by college students. Current staff is being used to continue to try to bring in more revenue at the golf course. It is felt that \$50,000 has been saved by using staff versus a golf pro.

ADOT Project SR277—The project should be done in 4 weeks based on the report from the contractor. Sod will be placed on the Southern Solution project at the golf course. Value engineering is being done on Reach 3 and the Southern Solution will be done in the fall, then, hopefully, there will be funding for the Northern Solution. The Town will then be able to file for a map revision.

**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 May 12, 2015. I further certify that the meeting was duly called and a quorum was present.

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Barbara Flake, Town Clerk