

**MINUTES OF TOWN COUNCIL MEETING
TOWN OF SNOWFLAKE
HELD 06/23/2015**

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

Mayor Tom Poscharsky, Vice Mayor Kerry Ballard, Lynn Johnson, Stuart Hensley, Byron Lewis, Cory Johnson, Terril Kay STAFF: Brian Richards, Bob Hall, Barbara Flake, Terry Cooper, Don Camacho

2. PRAYER/PLEDGE Lewis/Johnson C.

3. MAYOR'S PROCLAMATIONS & ANNOUNCEMENTS

Presentation of Partnering Spirit Award—Jesse Gutierrez, ADOT Engineer

Presentation of "Head Start Volunteer Award"—Vice Mayor Kerry Ballard

Rob Toy, Engineer, said that Jesse Gutierrez was instrumental in ADOT partnering with the Town by guiding the Town through the policies and processes. He introduced Bonnie Opey, ADOT, who made the presentation of the "Partnering Spirit Award" to Jesse Gutierrez, ADOT Engineer, on behalf of ADOT and the Partnering Office. She thanked the Town for honoring Gutierrez and being a true partner and part of the ADOT team.

Mayor Poscharsky presented Vice Mayor Kerry Ballard with the "Head Start Volunteer Award" for his service to the Head Start Program.

Patti Matyas, President of the Chamber of Commerce, presented the "President's Award" to Mayor Tom Poscharsky to thank him for his service to the community, helping the Chamber with the Car Show and more, and for helping the people in the community.

4. CALL TO PUBLIC:

Charlotte Hatch, Chamber Director, stated that a Council representative is needed on the Chamber Board which meets on Wednesday, at 9:30 a.m.

5. CONSENT AGENDA

A. Approval of Council Meeting minutes dated 05/26/2015.

B. Approval of Brown & Brown Law Offices Invoice dated June 2015.

C. Approval of CMI Engineering Invoice dated June 2015.

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

6. DISCUSSION/ACTION ITEMS

A. Consideration & Possible Approval of Tentative Budget FY 2015-16. (Brian Richards) Richards said there are no changes since Council reviewed the budget at the work session.

Motion by Johnson C., 2nd by Ballard, to approve the Tentative Budget FY2015-16. Motion passed; unanimous

B. Consideration & Possible Approval of the Inter-Governmental Agreement between the Town of Snowflake and Arizona Department of Revenue. (Brian Richards)
Richards said that the Town wants revenues collected by the State. He said this agreement was last approved in 2004 and the new IGA conforms with new legislation and performance measures.

Motion by Ballard, 2nd by Hensley, to approve Inter-Governmental Agreement between Town of Snowflake and Arizona Department of Revenue. Motion passed; unanimous

C. Consideration & Possible Approval of Inter-Governmental Agreement between the Town Snowflake and Navajo County for a Sheriff's Substation. (Brian Richards)
Richards said Navajo County would like to lease Suite A of the Court Building to use for a Sheriff Sub Station. He said the rent will be \$600 which is comparable to what is being charged for Probation and Court. Navajo County will make improvements and remove the garage door. Richards said the former tenant, Farmers Insurance, is purchasing a building for his business.

Motion by Hensley, 2nd by Johnson L., to approve Lease Agreement with Navajo County for "Suite A" of Court Building. Motion passed; unanimous

D. Consideration & Possible Approval of Agreement with Arizona Municipal Risk Retention Pool (AMRRP) for refund of incorrect payment. (Brian Richards)
Richards said this item was presented to Council on a previous agenda and tabled to allow Attorney Hall time to research details with AMRRP. Hall said that he wanted to see the file to see if there is obligation by the Town. He said the Risk Pool bought the annuity to cover one of the Town employees. He said someone put the Town of Snowflake as beneficiary as opposed to the Pool and as a result, a check was sent to Snowflake and the Town retained the check when the employee passed on. He said the Risk Pool is offering to let the Town pay the money back incrementally. Hall said there are two competing issues regarding their legal obligation to pay back the money: statute of limitations and "Laches" Common Law both addressing the length of time it has taken to address this issue. Hall said that for practical reasons it should be considered that the Risk Pool is composed of other communities like Snowflake.

Lewis questioned if there is a moral obligation to pay the money back. Poscharsky said he feels the Risk Pool has real problems when it takes 10 years to correct mistake and he does not feel there is an obligation to pay the money back but he will go with what the Council decides. Johnson L. said money was given to the Town that is not ours and it should be given back. Kay said he would go another way in the business sense. He said a mistake was made and the Town should not have to find the funds to pay it back 10 years later. Poscharsky said Council has a trustee position to do what is best for the Town. Lewis asked how Snowflake's name ended up on the policy. Hall said how it occurred cannot be proved but Ed Bantel is ultimately the person who reviews claims and he is balanced and fair in his decisions. Hall said that Bantel from that perspective has been as candid as he can be. Ballard said the Risk Pool is made up cities and towns. He said Snowflake could need them in the future and they could decide not to help us. Kay said this could be treated as business meeting in the middle and split the difference. Hall said that in negotiating there is a specific rule allowing parties to do so without affecting future litigation. Lewis said there is a question of intent and if Snowflake owes the money then should

pay it back but he said he is not convinced. Richards explained that he received a call from the insurance company “First Guarantee” informing him that the Town was named as the policy beneficiary. Richards said the Risk Pool discovered a mistake had been made and Bantel presented a repayment plan. Richards asked Bantel what would happen if the Town did not pay the money back and was told that the Mayor would be asked to come to the Risk Pool’s Board to discuss the issue. Kay said it is not fair to the Town to be put in this position 10 years after a mistake was made. Johnson C. asked what is being risked with Ed Bantel. Hall said that Snowflake has been treated exceptionally well by Bantel and the Pool and there is the risk of a great relationship. He said this is not just a question of a legal issue and had the Town bought the annuity it would be different. Richards said the Pool did an internal audit and it was discovered that whoever filled out the paperwork 10 years ago made the error in naming Snowflake as beneficiary instead of the Pool. Kay said he sees it as a disadvantage to the Town to be asked to come up with the money 10 years later.

Motion by Lewis to send Mayor to meet with the Board and ask questions.

Hall said he would like to see this addressed on a level with Ed Bantel. Hensley said to pay the money back. He said Council can all agree a mistake was made and this is not our money.

Lewis withdrew motion.

Motion by Ballard, 2nd by Hensley to pay the bill Town asked to pay in the amount of \$73,446.60 to AMRRP. Motion passed; 5 for—Ballard, Hensley, Johnson L., Johnson C., Lewis and 2 against—Poscharsky, Kay

E. Consideration & Possible Approval of “Silver Creek Fire & EMS” as the name of the Fire Department for the Town of Snowflake and Town of Taylor. (Brian Richards)
Fire Chief Clint Burden said a name change was discussed on the Review Committee and recently in an Officer’s meeting. He said it was discussed that it would be the best time to make the name change before investing in a new patch logo, uniforms, and truck decals. Burden said positive response was received from Town of Taylor residents at a Call to the Public. He feels a name change will help camaraderie and morale and also relieve tension. He said he would like to incorporate both Town logos on a patch. Johnson L. asked how staff feels about the name. John Mercer said that it is good with staff and Clint Burden said there is no negative and they would like approval. Poscharsky said Council does not want to dictate to Taylor but make it subject to what they want. Kay said there is pride in both town names and he questioned changing name when towns paying the bills and the town names could be on equipment and be known throughout the state. Hensley said that he feels the merger and name change for Show Low and Lakeside has helped their department.

Motion by Ballard, 2nd by Poscharsky, to approve name change to “Silver Creek Fire & EMS” for the merged departments of Town of Snowflake and Town of Taylor subject to approval by the Town of Taylor. Motion passed; unanimous

F. Consideration & Possible Approval of Inter-Governmental Agreement with Water Infrastructure Finance Authority of Arizona for Leak Detection Services. (Terry Cooper)

Cooper said WIFA notified the Town that a water efficiency grant was awarded to the Town in the amount of \$21,000 to complete leak detection services throughout its entire system of 68 miles of water line. He said that the Town must execute an Inter-Governmental Agreement (IGA) which defines the scope of services for the grant and the grant amount. He said there is no match of funds required by the Town. He said the grant application states the need as the Town's excessive unaccounted for water or the difference between water produced and water delivered. Cooper said that depending on the time of year, the Town has observed unaccounted for water ranging from 30% to 40% of total water produced. He said this is partially due to unmetered public properties. He said that since the completion of the Water System Master Plan in 2012 a program has been implemented to meter or estimate water use on public properties and there is unaccounted for water in excess of 20% of water produced.

Motion by Johnson C., 2nd by Lewis, to approve Inter-Governmental Agreement with the Water Infrastructure Finance Authority of Arizona (WIFA) for leak detection services. Motion passed; unanimous

G. Consideration & Possible Approval of Award of Professional Services Agreement with Wachs Water Services. (Terry Cooper)

Cooper said proposals were solicited from 5 firms that have completed similar work in Arizona over the last 10 years. He said 3 proposals were received and Wachs Water Services was the low bidder. He said all firms used the same type of equipment and Wachs' bid was \$10,000 lower and within the funds from the grant. He said that other towns similar to Snowflake's size and system that used Wachs were pleased with their performance.

Motion by Ballard, 2nd by Johnson L., to approve Professional Services Agreement with Wachs Water Services for leak detection services in amount not to exceed \$19,770. Motion passed; unanimous

H. Consideration & Possible Approval of Changing Federal-aid Road Improvement Project from Centennial Boulevard to Snowflake Boulevard. (Terry Cooper)

Cooper said the 3 projects proposed in 2014 were: Mill and Pave approximately 1 mile of Snowflake Boulevard; Widening of Centennial w/bike lane and ribbon curb and shoulder work; Reconstruction of approximately ½ mile of Old Woodruff. Widening of Centennial was approved by Council as the next federal-aid project and it is currently in the Transportation Improvement Program with ADOT with design scheduled in FY17 and construction in FY20. Cooper said that after participating in the cumbersome process for the 7th South reconstruction project, staff is recommending to change the project from Widening of Centennial Boulevard to the Mill and Pave of Snowflake Boulevard. He said there appears to be some right of way issues associated with Centennial Boulevard that would impact funding for the project. He said the project on Snowflake Boulevard would be more straight- forward and the Town would probably get more for their money. He said additionally the Town may have the opportunity to accelerate the project to FY16 for design and FY19 for construction but the Town must be prepared to obligate approximately \$9,400 from the FY15-16 HURF budget as a local match and approximately \$6,000 local match for FY19 construction.

Kay asked if the sidewalk from the Junior High south to Town would qualify. Richards said there are different resources for that project. Poscharsky said land trades need to be looked at for right of ways on Centennial. Cooper said the right of ways need to be addressed and then put the project back on the next round of federal-aid projects. He said Concho Road is highest traveled road.

Motion by Johnson C., 2nd by Johnson L., to approve changing Federal-aid Road Project scheduled FY2017-FY2020 from Centennial Boulevard to Snowflake Boulevard. Motion passed; unanimous

I. Consideration & Possible Approval of Installation of Sod on Southern Solution Reach 2 Basin. (Terry Cooper)
Richards declared a conflict of interest.

Motion by Poscharsky, 2nd by Ballard, to recognize Brian Richards declared conflict and turning issue over to Terry Cooper. Motion passed; unanimous

Cooper said Reach 2 Basin on the Golf Course will be completed soon. He said the basin and berm consists of dirt and there is concern with erosion. He said the Golf Course Superintendent recommends sod to control erosion. He said quotes received were: West Coast Turf of Chandler--\$.80 per sq ft plus \$16,000 freight; Evergreen Turf of Chandler--\$.65 per sq ft delivered and installed; Cedar Ridge Sod of Snowflake--\$.80 per square ft delivered and installed with fertilizer. Cooper said a letter was sent to Evergreen asking if fertilizer was included and no response was received. He said staff is asking approval to award Cedar Ridge the project. He said Cedar Ridge is willing to do the project in phases working the project schedule. Cooper said the grant covers all but 12% (\$5,700) of the cost. Kay asked if other options were considered. Cooper said rocks would wash out and hydro-seeding would not be a good option due to the slope.

Motion by Kay, 2nd by Johnson C., to approve Award of Installation of Sod on Southern Solution Reach 2 Basin to Cedar Ridge Sod. Motion passed; unanimous

J. EXECUTIVE SESSION: PURSUANT TO ARS 38-431.03A4: Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations in pending and contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation.

1. Apache Railway Company

Motion by Ballard, 2nd by Johnson L., to go to Executive Session. Motion passed; unanimous

Motion by Lewis, 2nd by Ballard, to return to Regular Session. Motion passed; unanimous

K. Consideration & Possible Action regarding The Apache Railway Company. (Brian Richards)

Poscharsky said the goal is to support the loan that was handed in last week on Tuesday and it appears to be working favorably. He said this motion is to join with Snowflake Community Foundation to approve the loan paying off Hackman and approve stock to Water Conservation District.

Motion by Poscharsky, 2nd by Hensley, to authorize Brian Richards and Tom Poscharsky to work with Town's Bankruptcy Council to support the USDA Loan to be able to take The Apache Railway out of Bankruptcy Court. Motion passed; unanimous

7. COUNCIL MEMBER'S SUMMARY OF CURRENT EVENTS

Kay said he was impressed with the response time and professionalism of the Public Works crew that worked until 11 p.m. on a big water leak. He said they did a great job.

Kay said he visited Washington D. C. memorials and was reminded what a great country and town we live in. He said he is proud to be a resident and participate in celebrating our heritage.

Poscharsky said he is working closely with parties involved with the rail issue—Little Colorado Water Conservation District and Snowflake Community Foundation. He hopes to be able to report the rail is secure for our future growth. He said Richards is doing a great job as Town Manager.

Johnson L. commended emergency medical services staff. He said that they are always present at athletic events and do a great job. He said he is confident in them and knows them to be competent in what they do. He also said that Town staff does a phenomenal job.

Ballard asked everyone to support the Taylor July 4th Celebration and Rodeo. He reminded everyone that there is a Flag Raising and Memorial Program on Saturday, July 4th, at the LDS Main Street Chapel at 7 a.m. and the Snowflake Pioneer Days Celebration theme is “Community Builders”.

Lewis said Maverick's Grand Opening and Ribbon Cutting is Wednesday, June 24th, at 3 p.m.

8. MANAGER'S SUMMARY OF CURRENT EVENTS AND REPORT

Richards said the Southern Solution Project is looking good. He said staff is working hard on getting the rest of drainage issues done.

9. ADJOURNMENT

I hereby certify that the foregoing minutes are a true and correct copy of the Town of Snowflake Council meeting held June 23, 2015. I further certify that the meeting was duly called a quorum was present.

Barbara Flake, Town Clerk

