

**MINUTES  
EAGAR TOWN COUNCIL  
REGULAR MEETING  
22 W. 2<sup>nd</sup> St., Eagar, AZ  
March 1, 2011 – 7:00 P.M.**

Mayor Kim Holaway called the regular council meeting to order and welcomed those present. Mayor Holaway said to let the record show that Councilor Byron Smith is absent (Councilor Smith did appear shortly after the meeting started) and all other council members are present. Mayor Holaway led the Pledge of Allegiance and Bruce Ray offered the invocation.

COUNCIL PRESENT:        Kim Holaway, Mayor  
                                 James Nelson, Jr., Vice-Mayor  
                                 Byron Smith  
                                 Gary Finch  
                                 Steve Erhart  
                                 Tim Rasmussen  
                                 Debbie Rogers

STAFF PRESENT:         Bill Greenwood, Town Manager  
                                 Bruce Ray, Community Development Director  
                                 Eva Wilson, Town Clerk  
                                 Katie Wood, Finance Administrator  
                                 Mike Hogan, Police Chief  
                                 Elwin Browning, Public Works Administrator

**ITEM #5: SUMMARY OF CURRENT EVENTS**

A. MAYOR

Mayor Kim Holaway reported that the Boys and Girls Club Committee is meeting with a Boys and Girls Club Executive for the possibility of our community receiving up to \$40,000 to design a local Boys and Girls Club. Mayor Holaway is asking the community to support this endeavor by showing up at the meeting on Wednesday, March 2, 2011, at 1:30 p.m. in the Udall Room of the Springerville Town Hall.

All the students from the Primary and Intermediate Schools are extending an invitation for public participation in a *Round Valley Bike-a-thon & Jog-a-thon* fundraiser to be held Saturday, March 5, 2011, at 9:00 a.m. at the Dome.

Michele Davalos of the Apache-Sitgreaves National Forest notified Mayor Holaway that the Forest Plan Revision – Forest Planning Rule is accepting public comments until May 16, 2011. More information can be found on the Forest Service website.

Mayor Holaway will hold a *Breakfast with the Mayor* meeting with Eagar businesses. All business owners are invited to attend on Thursday, March 3, 2011, at 7:15 a.m. in the Eagar Council Chambers.

The Town of Eagar received a reply to their protest letter in regards to the Forest Service water appropriation applications to the Arizona Department of Water Resources (ADWR). ADWR has advised the Forest Service of the Town's protest letter and the Forest Service is now required to respond directly to the Town of Eagar within thirty days.

B. COUNCIL

Councilor Debbie Rogers reported that she attend the Northern Arizona Council of Governments (NACOG) meeting on February 24<sup>th</sup> at which there was discussion about rural broadband service becoming readily available in rural Arizona.

Councilor Steve Erhart reported that the Four-Forests Initiative Contract was signed last week by the respective parties to treat 75,000 acres of forest in the first phase.

Councilor Tim Rasmussen reported that the Pitch In-Clean Up committee met last Saturday to help clean up a residential lot. Blue Hills donated a trash bin, Cowan Hamblin offered backhoe services, and Troop 80 helped with the clean up.

The Pitch In-Clean Up Committee met this afternoon and they will be sending out invitation letters for March.

Councilor Rasmussen reported that the proposed Boys and Girls Club have elected their board officers, Steve Christensen and Melissa Webb. The Board is interested in leasing the old daycare building that the Town of Eagar owns and they will address the Town Council at a later date.

C. STAFF

Town Manger Bill Greenwood asked the Council to review the latest revision to the Game and Fish Lease and Cooperative Agreements and make suggestions so that the agreements can be forwarded to the respective attorneys. The Council will consider the agreements on March 15, 2011.

Mr. Greenwood stated that he attended the Northeastern Sustainable Consortium Committee meeting held on February 28<sup>th</sup>. A consultant will be meeting with the participating entities and holding public meetings approximately the last week of April. Mr. Greenwood will have more details in a couple of weeks.

Finance Administrator Katie Wood reported that she has remitted the Local Transportation Assistance Tax (LTAF) to the Senior Center in the amount of \$3,886. This tax helps keep the Senior Center van running.

Police Chief Mike Hogan distributed the 2010 Eagar Police Department Executive Summary. Chief Hogan reported that the police department was grant funded in the amount of \$172,000, and funded by the General Fund (minus salary and benefits) in the amount of \$146,000. Chief Hogan had made some comparisons to the 2009 statistics to include:

Criminal Damage increase of 63%  
Burglary increase of 40%  
Disorderly Conduct increase of 38%  
Child Offenses increase of 133%  
Warrant Arrest increase of 39%

Sexual Offenses increase of 67%  
Domestic Violence decrease of 7%  
DUI decrease of 65%  
Accidents w/Injuries decrease of 71%  
Traffic Complaints decrease of 11%

Councilor Gary Finch requested that this item be brought back for discussion March 15<sup>th</sup>.

#### **ITEM #6: OPEN CALL TO THE PUBLIC**

None.

#### **ITEM #7: PRESENTATIONS**

##### **A. PRESENTATION TO MARCH 2011 “SHINING STARS” COMMUNITY HONOREES**

Councilor Debbie Rogers announced that last July the Town Council decided it would be a good idea every month to present a spotlight recognition for those people or groups that do an outstanding service for the Town of Eagar. The “Shining Stars” was inspired by a group of young men that worked hard to keep the Flattop star lit every December. Tonight we will recognize these young men that participated in keeping that star lit. The Town of Eagar appreciates your contributions.

Steven Gardea  
Chantz Davis  
Jason Udall  
Josh Patton

Rulon Udall  
Daniel Morris  
Cody Roberts  
Colton Edwards

Mitchell Udall  
Ryan Bigelow  
Cory Roberts  
Michael Ciminski

Colton Merrill  
Trevin Adair  
Shawn Lindsey  
Collin Burnham

#### **ITEM #8: CONSENT AGENDA**

##### **APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETINGS HELD FEBRUARY 2011**

##### **APPROVAL OF JANUARY 2011 BANK TRANSMITTALS 1-32, NATIONAL BANK OF AZ CHECKS WRITTEN FROM 29589-29741, PAYROLL DIRECT DEPOSIT VOUCHERS 1131101-1271137, CARD MEMBER SERVICE CREDIT CARD PURCHASES**

Councilor Steve Erhart moved to approve the Consent Agenda as written. Byron Smith seconded; all were in favor, motion carried unanimously. 7-0

#### **ITEM #9: UNFINISHED BUSINESS**

A. DISCUSSION AND CONSIDERATION OF JANUARY FINANCIAL REPORT, AND TOWN'S SALES TAX REVENUE REPORT

Finance Administrator Katie Wood reported to the Council that she had added a difference column on the Finance Report Summary page to provide more detailed variance information to the Council regarding the outstanding monthly balance on all funds due to the accrual accounting procedures used.

Ms. Wood stated that Urban Revenue Sharing is calculated two years out and the Town will not feel the impact of the this economic downturn for two years. The projected Urban Revenue Sharing is a 10.5% decrease. It is believed that the bill failed that would freeze Urban Revenue Sharing at its lowest point for 20 years.

Ms. Wood remains concerned about State Shared Revenues and hopes to have a solid report from The League of Arizona Cities and Towns by March 15<sup>th</sup>.

Councilor Gary Finch feels that the Town needs to have a plan in case State Shared Revenues and other State Shared Funds are not released. Ms. Wood stated as the Town of Eagar is not a for profit organization, if the Town no longer had general funds, which come from these revenue sharing streams, to operate, the Town would have to look at being governed by Apache County or the State. Without a primary property tax on Eagar's citizens there would be no way to fund the public safety departments, or administration department to run the town.

The League's weekly legislative updates will hopefully foretell when there are problems or triumph with these revenue sharing streams.

During the budget work sessions keep in mind building budgets for the various committees and subcommittees.

Town Manager Bill Greenwood explained that the large increase in sales tax revenue was indeed for the construction at the high school, and for cleanup crews and consultants. Sales tax revenues for retail sales are up from year to date. Mayor Holaway reported from the monthly meeting with Bashas' that the northern part of Arizona showed the highest percentage increase in sales revenue to date.

B. DISCUSSION AND CONSIDERATION OF ANY ACTION TO BE TAKEN ON LEGISLATIVE ISSUES

Mayor Holaway stated that SB1525 is a concern and that it just passed through the Senate. SB1525 makes a number of sweeping changes to the development impact fee system and moves Arizona away from the principle that growth should pay for itself, rather than increase the burden on existing citizens. The Arizona Homebuilders Association is lobbying for this bill.

Mayor Holaway recommends that councilors and public write to our legislature; and that The League has lobbied for cities and towns for at least four years on this subject. After some discussion, the Council directed the Town Manager to draft a resolution that states the Town of Eagar's opposition to SB1525 and have it ready for March 15<sup>th</sup> council meeting.

C. DISCUSSION, CONSIDERATION, AND SECOND READING OF ORDINANCE 2011-03 AMENDING THE TOWN CODE BY REVISING TITLE 18, SECTIONS 18.18.08 DEFINITIONS FOR MEDICAL MARIJUANA, 18.20.030 AG CONDITIONAL USES FOR MEDICAL MARIJUANA CULTIVATION, 18.56.040 C-2 CONDITIONAL USES FOR MEDICAL MARIJUANA DISPENSARY AND 18.60.030 I-1 CONDITIONAL USES FOR MEDICAL MARIJUANA CULTIVATION

Community Development Director Bruce Ray gave a brief description of this ordinance as it had been discussed in length during the first reading. This ordinance specifies the requirements for a Conditional Use Permit for growing, manufacturing, and distributing medical marijuana and it will ensure that it is within the recommended footage from schools (500 feet) and churches (200 feet). It is desirous that ordinances be in place, for the Town to have some control, before opening a dispensary in Eagar.

Vice-Mayor James Nelson, Jr. moved to approve Ordinance 2011-03 amending the Town Code by revising Title 18, Sections 18.18.08 Definitions for Medical Marijuana, 18.20.030 AG Conditional Uses for Medical Marijuana Cultivation, 18.56.040 C-2 Conditional Uses for Medical Marijuana Dispensary, and 18.60.030 I-1 Conditional Uses for Medical Marijuana Cultivation. Councilor Steve Erhart seconded.

Discussion: Councilors shared their reservations about the law. They agreed that the law is poorly written, that the Department of Health Services will strive to operate the dispensaries for medical use and not for recreation, that there will continue to be changes made to the regulation and distribution of product, and they realize that the Town of Eagar will probably change their ordinance several times in the coming year as more information is learned.

All Councilmembers were in favor of the motion, motion carried unanimously. 7-0

D. DISCUSSION, CONSIDERATION, AND SECOND READING OF ORDINANCE 2011-02 AMENDING THE EAGAR TOWN CODE BY ADDING TO TITLE 5, CHAPTER 5.20 – LICENSING OF MEDICAL MARIJUANA-RELATED FACILITIES

Town Clerk Eva Wilson stated that the Town has a desire to have a business license procedure in place before medical marijuana dispensaries are allowed. A business license fee has been proposed and placed on the Town's website on the front page; after 60 days on the home page the business license fee will be considered by the Council.

Councilor Steve Erhart moved to approve Ordinance 2011-02 amending the Eagar Town Code by adding to Title 5, Chapter 5.20 Licensing of Medical Marijuana Related Facilities. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 7-0

**ITEM #10: NEW BUSINESS**

**A. DISCUSSION AND CONSIDERATION TO AWARD BID TO REPLACE THE HALL WELL PUMP, MOTOR, AND CERTIFIED COLUMN PIPE**

Milt Nelson reported he received three proposals to replace the Hall Well motor and column pipe. Mr. Nelson recommends awarding the lowest bid to A to Z Drilling and Pump Services LLC for \$13,275.80.

Vice-Mayor Nelson brought up and Council agrees there is concern that A to Z Drilling and Pump Services LLC stated that they require employees to sign a waiver for Worker's Compensation Insurance. It was recommended that administration talk to the town attorney and find out the status of Worker's Compensation Insurance issues with contractors.

Vice-Mayor James Nelson, Jr. moved to award the Hall Well motor, pump, and pipe job to the lowest bidder if the lowest bidder meets local and state statutes applicable in Arizona. Councilor Gary Finch seconded; all were in favor, motion carried unanimously. 7-0

**B. DISCUSSION AND FIRST READING OF ORDINANCE 2011-01 AMENDING TITLE 13, CHAPTER 13.60 – CEMETERY**

Town Clerk Eva Wilson reported that the Eagar Cemetery has been diligently working on updating Chapter 13.60 of the cemetery code. They are proposing and recommending:

- Naming the sections of the cemetery
- Adding additional definitions
- Allowance of double-depth burials
- Requirement of vaults in all plots
- Restrictions on the size of headstones in some areas of the cemetery
- Only the Town shall set headstones

Former Chair of the Cemetery Committee, Becky Pacey, introduced the new Cemetery Committee Chair, Becky Crosby.

The Committee's recommendations considered the time used for maintenance of the cemetery. Flat headstones in the new Maple section of the cemetery will be flush to the ground saving time on maintenance. The larger headstones are difficult to dig around with Town equipment, and sprinklers cannot reach beyond the larger headstones. Double-depth burials are also becoming the industry standard as more cemeteries are running out of room.

The Committee also approved a contract that the burial plot owner must sign specifying the rules, and the rules of the cemetery will be explained and highlighted for the owners before they sign the contract.

Burial vaults will be required on all plots once the ordinance takes effect. The vaults will help preserve the caskets and prevent the sinking of graves that require regular maintenance to refill with dirt and replanting of grass.

The proposed fees for the cemetery changes are posted on the Town's website on the front page for no less than 60 days before the Council will consider the corresponding fee schedule.

C. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-08 APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN OF EAGAR AND THE ROUND VALLEY RODEO CLUB EXTRAVAGANZA

Town Clerk Eva Wilson reminded the Council that they entered into a similar agreement with the Round Valley Rodeo Club Extravaganza (RVRCE) last year. The RVRCE has provided the Town of Eagar with a winning proposition in that they provide a valuable service to the community and bring revenue to both towns. The RVRCE has seen an increase in the attending spectators every year. The RVRCE has regularly assisted with the Eagar Daze foot rodeo and had held a rodeo for Round Valley Round Up.

The RVRCE is again interested in joining into a Memorandum of Understanding for the coordination of events that they provide for the Town of Eagar and could include:

- Use of a tractor, in exchange for keeping the arena "groomed"
- Use of lights – rarely to never – because the rodeo events are scheduled for daylight hours
- Give the Town 20% of their season membership fees
- The Town sponsor and insure the Memorial Day, June 11<sup>th</sup>, July 2<sup>nd</sup> Eagar Daze, and August 27<sup>th</sup> (or August 20<sup>th</sup>) rodeo events.

As the Town already has to purchase rodeo and bucking insurance for its events, July 4<sup>th</sup> and Eagar Daze, through the National Horsemen's Association Inc., it seems reasonable to include the RVRCE events with the Town's purchase of a membership for \$900 that includes twelve insured rodeo events (minimum package) plus \$50 for each additional insured.

Jennifer Lund, RVRCE President thanked the Council for all of their support the Town has given them and they enjoying holding the events.

Vice-Mayor James Nelson, Jr. moved to accept Resolution 2011-08 approving a Memorandum of Understanding between the Town of Eagar and the Round Valley Rodeo Club Extravaganza. Councilor Debbie Rogers seconded; all were in favor, motion carried unanimously. 7-0

D. DISCUSSION AND CONSIDERATION TO ACCEPT OR DENY THE BID PLACED FOR BUTLER AND CENTRAL AVENUE JOG PROPERTY

Town Clerk Eva Wilson reported that the Clerk's office received one bid for the town property that is for sale on the southeast corner of Butler Street and Central. The sale was posted per Arizona Revised Statutes. The sealed bid was received by February 14, 2011 at 5:00 pm.

Councilor Steve Erhart asked that the property be kept by the Town to get closer to market value offered on it. That the Town proceed in granting an easement to the homeowner for access to the home across town property, but do not deed the easement to the homeowner.

Councilor Byron Smith stated since there were no other persons interested in bidding on this obscure piece of property that the bid should be accepted.

The Council did not place a minimum bid on the postings, yet they did state that they would have the right to refuse any bids on the postings. A local realtor had quoted the property's value at approximately \$20,000.

Councilor Tim Rasmussen added that the property could be transferred to the Eagar Municipal Property Corporation for the purpose of future economic development.

Town Manager Bill Greenwood stated that the reason the homeowner adjacent to the property had made an offer to purchase the land was because the property was not being maintained. Mr. Greenwood stated that the Town should maintain this property because it is Town property and that the property may have its advantages in the future.

Councilor Steve Erhart moved to deny the bid received and to provide an easement for the homeowner on the south end of the town's property. Councilor Tim Rasmussen seconded; all were in favor, motion carried unanimously. 7-0

E. DISCUSSION AND CONSIDERATION TO PARTNER WITH THE ROUND VALLEY SCHOOL DISTRICT, TOWN OF SPRINGERVILLE, SPRINGERVILLE-EAGAR REGIONAL CHAMBER OF COMMERCE FOR A ROUND VALLEY MARKETING CONSULTANT AND AGREEMENT

Mr. Tony Kyle had made a presentation to Town Managers Bill Greenwood and Steve West, and Chamber Director Becki Christensen. Mr. Kyle proposes to act as a consultant/advisor to market Round Valley for a trial three-month agreement. The Round Valley School District would also be an interested party in the agreement because Mr. Kyle was planning to use school facilities (Dome) for events and marketing.

A three-month agreement would cost \$4,800 and this may be split three ways (if the school agrees). It is the hopes of Mr. Kyle to enter into a one to three-year agreement costing \$19,200 with the interested parties after the initial three-month trial.

Councilors discussed where they would get the funding to participate in the marketing agreement, as this item was not budgeted for and Mr. Kyle would like to start this project immediately, or he will need to accept other marketing agreements. Councilor Byron Smith

wondered if the other interested parties would actually participate together to meet the marketing proposal. Councilor Tim Rasmussen felt that this proposal was made on short notice and that the Council is being rushed to make this decision.

Mr. Greenwood felt very optimistic about Mr. Kyle's proposal to market the Round Valley because every town needs to be known for something and Mr. Kyle has a plan for that; \$1600 is a reasonable amount to try a three-month agreement to market the Round Valley according to Mr. Kyle's plan. Mr. Kyle knows the area because he had attended school here and he is very interested in holding events in the Dome. Councilor Debbie Rogers added that Mr. Kyle has an emotional attachment to the area and there are other promoters out there, yet Mr. Kyle has been the only one that has approached us with this type of marketing proposal.

Vice-Mayor James Nelson, Jr. moved to partner with the Round Valley School District, Town of Springerville, and Springerville-Eagar Regional Chamber of Commerce for a Round Valley marketing consultant and agreement not to exceed \$1,600 for a three-month term. Councilor Debbie Rogers seconded; six were in favor, Councilor Steve Erhart opposed, motion carried. 6-1

F. DISCUSSION AND CONSIDERATION TO SUBMIT A RAC GRANT APPLICATION TO BUILD A PARKING LOT AT THE FLATTOP TRAILHEAD

Town Manager Bill Greenwood reported that this RAC Grant is a two-year cycle grant that was started last year to redesign the parking lot at the Flattop Trailhead. The archeological, and environmental studies had been conducted with last year's funding. The Forest Service has provided the parking lot design. The Town will perform the groundwork for approximately less than \$20,000 with a larger rock base, fill, and gravel parking (fill that is dug out from Le Sueur Drainage Project will be used for the fill – a huge savings to the town).

The application is for 2012 funding and this grant cycle they are awarding funding in April 2011 and next grant cycle in April 2012. The total cost of the project will be approximately \$32,000 with the fill dirt the Town will supply as an in-kind match.

The design allows for horse drinkers, a faucet for hikers, a kiosk, and visitor registration. The Town could really tout its slogan "Where the Roads Hit the Trails" as advertising and maps will be placed in the area lodging establishments. This trail is the only trail that starts in the town limits.

Vice-Mayor James Nelson, Jr. moved to submit a RAC grant application to build a parking lot at the Flattop Trailhead; and if the Town cannot use the grant that it be turned back. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 7-0

**ITEM #11: SIGNING OF DOCUMENTS**

Mayor and Councilor signed the Minutes of February 2011. The required signatures were obtained for Ordinances 2011-02, 2011-03; and Resolution 2011-08 with the accompanying Memorandum of Understanding.

**ITEM #12: ADJOURNMENT**

Councilor Debbie Rogers moved to adjourn the meeting at 9:19 p.m. Vice-Mayor James Nelson, Jr. seconded; all were in favor and the motion carried unanimously. 7-0

Attest: \_\_\_\_\_

Mayor: \_\_\_\_\_

Vice-Mayor: \_\_\_\_\_

Council: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes are true and correct copy of the minutes of the regular session of the Town of Eagar, Arizona held on March 1, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
Eva M. Wilson, Town Clerk