

**MINUTES  
EAGAR TOWN COUNCIL  
REGULAR MEETING  
22 W. 2<sup>nd</sup> St., Eagar, AZ  
July 5, 2011 – 7:00 P.M.**

Mayor Kim Holaway called the meeting to order and welcomed those present. Mayor Holaway said to let the record show that Vice-Mayor James Nelson, Jr. is absent and that all other council members were present. Mayor Holaway led the Pledge of Allegiance and Bruce Ray offered the invocation.

COUNCIL PRESENT:        Kim Holaway, Mayor  
                                 Gary Finch  
                                 Byron Smith  
                                 Steve Erhart  
                                 Debbie Rogers  
                                 Tim Rasmussen

COUNCIL ABSENT:        James Nelson, Jr., Vice Mayor

STAFF PRESENT:        Bill Greenwood, Town Manager  
                                 Bruce Ray, Community Development Director  
                                 Eva Wilson, Town Clerk  
                                 Katie Wood, Finance Administrator  
                                 Steve Christensen, Public Works Administrator  
                                 Mike Hogan, Police Chief  
                                 Doug Brown, Town Counsel

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

A. MAYOR

Mayor Kim Holaway reported that Daryl Jevons has been asked to coordinate the volunteer efforts for the forest service to help with the aftermath of the Wallow Fire.

Mayor Holaway recognized Joe Sitarzewski for his volunteerism at the Centennial Park. His efforts are very much appreciated; the Centennial Park looks great.

Mayor Holaway reported that the Centennial Park, besides having tables placed and landscaping added, there are display boards with pictures that will be posted for a while longer and she invites everybody to stop by and visit the new park. Another Centennial Park Project is the engraved, memorial paver bricks and applications can be found at the town hall.

Mayor Holaway has notified Fox News that Eagar was not responsible for the grass fire that was started by fireworks this past weekend and that Fox News has corrected the mistake on their website.

Mayor Holaway stated that appreciation letters would be sent to all agencies that assisted with any part of the Wallow Fire and flood mitigation. The County should have much of the agency information.

The Springerville-Eagar Regional Chamber of Commerce placed a good article in their newsletter regarding shopping local.

B. COUNCIL

Councilor Gary Finch reported that the Apache County Sheriff's Posse appreciates the Town of Eagar working on the rodeo grounds on such short notice, as they weren't sure until the week before if they were going to hold a rodeo.

Councilor Rasmussen reported that he attended the Pitch In- Clean Up Committee meeting today. Discussion included Yard of the Month, and a Main Street Yard of the Month, the committee members will be placing designation signs up this week.

C. STAFF

Town Manager Bill Greenwood reported on the ongoing flood mitigation projects on Water Canyon from 10<sup>th</sup> Street to Burk and the placing of a dip in West 4<sup>th</sup> Street near the Adair's where Water Canyon crosses. Crews have removed a lot of sand and sediment from Dry Canyon. The Town of Taylor's crew worked on pulling out debris from State Lease Land south of A Wash; they will return tomorrow. The City of Show Low crews will be working on a siphon on the above ground sewer line that comes off the Water Canyon drainage at School Bus Road. The Town has finalized an agreement to take drainage across Johnson's property east of Marian Drive to relieve the Big Ditch with drainage to the north across to AZ Game and Fish property.

Some of the volunteers initially promised fell through, however tables were set at the Centennial Park, the flagpole was set, and Town employees installed fencing at the rodeo grounds last week. Crews have worked Friday and Saturday overtime working on drainage and preparing for July 4<sup>th</sup> activities.

There may be a need for more volunteers for drainage clean up; volunteers can contact Bill Greenwood or Bruce Ray.

Community Development Director Bruce Ray stated that sandbags are stacked at Eagar Public Works Yard and some high priority property owners may need help with placing sandbags around those properties.

Councilor Gary Finch added that there is concern that the sewer ponds may be flooded as all creeks and drainages above and around Nutrioso join and run near the sewer ponds; Springerville sewer ponds are in the greatest danger. Mr. Greenwood stated that the sewer ponds have been assessed, and Eagar's sewer ponds are not a priority at this time, however

they will continue to be assessed. At this time a higher priority is the water line that crosses the Little Colorado up to the mesa.

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

Springerville-Eagar Regional Chamber of Commerce Director Becki Christensen wants to publicly recognize the Pima Federal Credit Union for sponsoring a community party at Ramsey Park that was held with a weeks notice on July 1<sup>st</sup>. At least a thousand citizens were in attendance. Lots of children were in attendance and they participated in many games with cash prizes. Other than the hula hoops, all other supplies were bought local as a condition set by Pima Federal Credit Union. Any left over supplies were given to the local food bank. Pima Federal Credit Union is also making a cash donation to the food bank.

The Chamber is holding a Mixer on July 21, 2011 at 7:00 a.m. at Trailriders Restaurant. The local businesses are encouraged to attend, as the Chamber will lead discussion in buying local.

The July 4<sup>th</sup> Parade was very successful with approximately 50 entries. With the assistance of Chief Mike Hogan the parade was very organized. Judges were picked out from the parade route. The winners are:

- Betsy Ross from the Eagar Third Ward is the winner for Best Community Entry
- Western Drug Best Business and Best Theme – gun fight
- Bob Coombs won Best Historical Vehicle
- Thatcher Udall won Best Junior Rider
- Apache County Sheriff's Posse won Best Equestrian Multi
- Sue Hemming and Art Lamely with the pack horses won Adult Mounted
- Miller Clan won Best Individual
- Bandidos was the Chamber's Choice
- Walk for Life was chosen as the Best Religious Entry

Ms. Christensen reported that many media outlets are distributing photos of the burned trees. She ask that anyone who has privileges to view the burn, if they have photos of green trees to forward them to her so she can negate the bad publicity.

Tony Kyle will participate in a conference call with the Chamber, Springerville, Eagar, and the RV Schools next week. Mr. Kyle's marketing plan has been adjusted to consider the fire.

Ms. Christensen will attend the Governor's Conference on Tourism late next week and she will spread the word that we are still green.

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

##### **A. PRESENTATION TO JULY 2011 "SHINING STARS" COMMUNITY HONOREE(S)**

Councilor Debbie Rogers recognized July's Shining Star recipients who have been working on their Eagle Scout projects. The recent Eagle Scout projects that our youth have been taking on have been quite monumental and they are greatly appreciated for their help. The current Eagle Scout project was to help get the Boys and Girls Club of Round Valley facility operational. July's Shining Stars are Dallin Goodman and Morgan Brown; only Morgan Brown was in attendance.

- Organize the repair and replacement to a section of roof & fascia and re-shingle
- Remove all debris in all 3 buildings, vacuuming the entire 3 buildings, organizing help
- Clean the building and prep for painting organizing volunteers
- Painting the exterior and interior (two coats of paint)
- Organize and help in the cleaning up after painting
- Cleaning the landscape and organizing help
- Working with the Director as needed

This was all set on a very close timeline to create the opening of the Club for a summer program starting June 20, 2011. Between the winds, the Wallow Fire and evacuations they committed to keep this day to open and had to put in much effort to make up for the two weeks of lost time.

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

APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETINGS HELD JUNE 2011

APPROVAL OF MINUTES OF THE EAGAR AND SPRINGERVILLE JOINT COUNCIL MEETING HELD JUNE 4, 2011

APPROVAL OF MAY 2011 BANK TRANSMITTALS 1-21 NATIONAL BANK OF AZ CHECKS WRITTEN FROM 30214-30399, PAYROLL DIRECT DEPOSIT VOUCHERS 5051101-5191140, CARD MEMBER SERVICE CREDIT CARD PURCHASES

Councilor Gary Finch requested to abstain from voting on the Consent Agenda, as he had not attended the June meetings from which the minutes are being considered.

Councilor Steve Erhart moved to approve the Consent Agenda as presented. Councilor Debbie Rogers seconded; five were in favor, Councilor Gary Finch abstained, motion carried. 5-1

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

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

Finance Administrator Katie Wood reported that the May financials are consistent; revenues are down as are expenditures. Currently awaiting \$198,951 in grant reimbursements, have received \$60,000 in the past month. The State has reported that they will be cutting checks July 1, 2011. General Fund difference between revenue and expenditures shows a discrepancy of approximately \$42,000 due to State Shared Revenues delayed by one month. HURF is holding it's own. Utilities has an excess in revenues of \$26,622 but bond payments have not been paid and this number will change as of June 30, 2011.

Ms. Wood went on to report on sales tax stating that May shows \$840,000 year to date in city sales tax. It is estimated that the end of this fiscal year would collect \$970,000 in city sales tax. A large portion of the sales tax this past year has been due to the reconstruction on the high school.

**B. DISCUSSION, CONSIDERATION AND SECOND READING OF ORDINANCE 2011-05 AMENDING THE EAGAR TOWN CODE SECTION 17 CHAPTER 17.04.050 – MINOR LAND DIVISIONS**

Community Development Director Bruce Ray presented this ordinance as requested by the Council. The ordinance will protect the town and put responsibility on the property owner who wants to split a piece of property on a Town dedicated road that is unimproved.

Councilor Tim Rasmussen requested to abstain from voting on Ordinance 2011-05, as he had declared a conflict.

Councilor Debbie Rogers moved to approve Ordinance 2011-05 amending the Eagar Town Code Section 17 Chapter 17.04.050 – Minor Land Divisions. Councilor Gary Finch seconded; five were in favor, Councilor Tim Rasmussen abstained, motion carried. 5-1

**C. REPORT – WALLOW FIRE UPDATE**

Community Development Director Bruce Ray reported that he has attended the BAER Team meetings. The Town of Eagar advised the BAER Team that Eagar is focusing on flood mitigation. The BAER Team distributed maps and overlays of the burn areas for assessment with recommendations for the proper treatment once funding is received and as time allows. The maps show soil erosion through the southern portion of Eagar. The BAER Team will meet again tomorrow to discuss last week's accomplishments. The BAER Team has asked for \$19,000,000 in funding.

Town Manager Bill Greenwood stated that straw banking and seed should begin soon. It is a goal to get Highways 191 and 261 open this summer. To reach Sprucedale and Hannagan Meadows, passes can be acquired from the forest service. Crews are clearing hazard trees near the highways.

**ITEM #10: NEW BUSINESS**

A. DISCUSSION AND CONSIDERATION TO APPROVE THE FISCAL YEAR 2011-12 TENTATIVE BUDGET AND CAPITAL IMPROVEMENT PLAN

Finance Administrator Katie Wood clarified that the tentative budget has been placed on the State Auditor General forms as required, these are the same numbers that were discussed in the work session of this same date. Other than the expectance of approximately \$3,000,000 of grant and reimbursement revenues due to the Wallow Fire and aftermath, the 2011-12 budget is very similar to last year's budget amounts.

Upon Councilor Steve Erhart's urging Town Manager Bill Greenwood clarified that the purchasing of some of the highlights of the budget or "discretionary" budgeted items would have to wait until later quarters in the fiscal year as cash flow is available and as priorities are agreed upon by the administrators. These could include shopping plaza paving and lights, electronic sign, and hardware/software upgrades. Of course many of the budgeted highlights are not discretionary purchases such as the contribution to the Senior Center, and Chamber and these will be paid as normally scheduled.

Although the Capital Improvement Plan (CIP) is not required to be passed by the Council it is often needed for lending or grants and it is included in the budget discussion, as it needs public comment as well. The CIP is also a list of goals and plans that the Town can work towards even if they cannot be purchased this fiscal year.

Mr. Greenwood added that once the tentative budget is passed it cannot be increased, however, it could be decreased during consideration of the final budget.

Councilor Steve Erhart moved to approve the fiscal year 2011-12 Tentative Budget and Capital Improvement Plan. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 6-0

B. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-24 SEEKING FINANCIAL AND POLITICAL SUPPORT TO ASSIST IN THE IMPLEMENTATION OF A 10-YEAR ECONOMIC PLAN FOR ROUND VALLEY AND SURROUNDING AREAS AFFECTED BY THE WALLOW FIRE TO RECOVER FROM THE DISASTROUS EFFECTS OF THE FIRE

Mayor Kim Holaway stated that this resolution was originally a letter and it was discussed at the Eagar and Springerville Joint Council meeting that it be placed in resolution form and that Eagar and Springerville Councils could each consider the resolution. Upon adoption, the resolution would be forwarded to Senator Kyl, Senator Gosar and other political representatives, and interested parties.

Councilor Steve Erhart moved to approve Resolution 2011-24 seeking financial and political support to assist in the implementation of a 10-year economic plan for Round Valley and surrounding areas affected by the Wallow Fire to recover from the disastrous effects of the fire. Councilor Debbie Rogers seconded; all were in favor, motion carried unanimously. 6-0

C. DISCUSSION AND CONSIDERATION FOR THE EAGAR COUNCIL TO SUBMIT A LETTER TO ARIZONA DEPARTMENT OF TRANSPORTATION REQUESTING THEM TO STRONGLY CONSIDER RESURRECTING THE HIGHWAY USER REVENUE FUND (HURF) SWAP

The Council reviewed and made minor corrections to the proposed letter and directed Mayor Kim Holaway to submit a letter to the Arizona Department of Transportation requesting them to consider resurrecting the HURF Swap.

D. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-23 APPROVING THE PAYMENT OF ADDITIONAL COMPENSATION TO CERTAIN FLSA-EXEMPT EMPLOYEES, SUBJECT TO AVAILABILITY OF APPROPRIATED FUNDS

Mr. Greenwood explained that currently the Eagar Personnel Policy Manual does not allow for exempt employees to receive any additional compensation other than what is allowed by the Fair Labor Standards Act (FLSA). Due to the copious amount of hours that exempt employees have spent during the Wallow Fire, and due to wording or requirements in certain grants, agreements, or contracts that appropriate additional funding for overtime work, it is recommended that exempt employees be allowed to receive hour for hour additional compensation or compensatory leave when subject to availability of appropriated funds as allowed by A.R.S. § 23-391. Ms. Wood added that if Eagar does receive funding from FEMA, this resolution would be required if exempt employees are to be compensated over and above what is allowed by FLSA.

Town Attorney Doug Brown recommended that the resolution be revised to have an effective date of June 1, 2011.

Councilor Debbie Rogers moved to approve Resolution 2011-23 approving the payment of additional compensation to certain FLSA-Exempt Employees, subject to availability of appropriated funds and to amend said Resolution 2011-23 by amending Paragraph 7 to state that Resolution 2011-23 be effective as of June 1, 2011. Councilor Byron Smith seconded; all were favor, motion carried unanimously. 6-0

E. DISCUSSION AND FIRST READING OF ORDNANCE 2011-06 APPROVING THE 2011 AMENDMENTS OT THE MODEL TAX CODE

Mr. Greenwood explained that this is a housekeeping item as The League of Arizona Cities and Towns maintains the model tax code for the majority of cities and towns in Arizona. Amendments to the tax code have been made by this year's past legislative session and elections as many of the amendments pertain to medical marijuana.

**ITEM #11: EXECUTIVE SESSION**

A. EXECUTIVE SESSION AS ALLOWED BY A.R.S. § 38-431.03.3 - DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS

OF THE PUBLIC BODY; AND A.R.S. § 38-431.03.4 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 OR CONTEMPLATED LITIGATION OR IN  
SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE  
LITIGATION

Councilor Steve Erhart moved to go into Executive Session at 8:30 p.m. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 6-0

**RECONVENE INTO REGULAR SESSION**

**B. DISCUSSION AND CONSIDERATION OF ANY ACTION DEEMED NECESSARY  
FROM THE EXECUTIVE SESSION**

Councilor Gary Finch moved to reconvene into Regular Session at 9:00 p.m. Councilor Debbie Rogers seconded; all were in favor, motion carried unanimously. 6-0

No action was taken from the Executive Session.

**ITEM #12: SIGNING OF DOCUMENTS**

Mayor and Councilors signed the minutes of June 2011. The required signatures were obtained for Ordinance 2011-05; and Resolution 2011-24, (Resolution 2011-23 will be revised and submitted for signatures thereafter.)

**ITEM #13: ADJOURNMENT**

Councilor Gary Finch moved to adjourn the regular session at 9:00 p.m. Councilor Steve Erhart seconded; all were in favor, motion carried unanimously. 6-0

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

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

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Eagar Council Regular Session  
July 5, 2011

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 July 5, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

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Eva M. Wilson, Town Clerk