

**MINUTES
EAGAR TOWN COUNCIL
REGULAR MEETING
22 W. 2nd St., Eagar, AZ
February 3, 2015 - 7:00 P.M.**

Vice-Mayor James Nelson, Jr. called the Regular Council Meeting to order and welcomed those present. Vice-Mayor James Nelson, Jr. called roll noted that Mayor Bryce Hamblin, Councilors Winslow McNeill (arrived late) and John Phelps are excused absent. Vice-Mayor Nelson led the Pledge of Allegiance and Councilor Allen Browning offered the invocation.

COUNCIL PRESENT: James Nelson, Jr., Vice Mayor
 Steve Erhart
 Allen Browning
 Debra Seeley
 Winslow McNeill

COUNCIL ABSENT: Bryce Hamblin, Mayor
 John O. Phelps

STAFF PRESENT: Tami Ryall, Town Manager
 Bruce Ray, Community Development/Public Works Director
 Eva Wilson, Town Clerk
 Frank Adams, Fire Chief
 Katie Brady, Finance Manager
 Mike Hogan, Police Chief
 Doug Brown, Town Attorney

ITEM #5: SUMMARY OF CURRENT EVENTS

A. MAYOR

None.

B. COUNCIL

None.

C. STAFF

Town Manager Tami Ryall informed Council that she spoke to Springerville Town Manager Steve West about the NPC building and its future disposition. Mr. West said he would take it back to his councilors.

Ms Ryall has been receiving a number of notices about February 11th Legislative Day at the Arizona State Capitol and hasn't heard back from Councilors if they would be attending. The Councilors will get back to her on attending.

Ms Ryall wanted to make Council aware that Hunter Moore from Navajo County took a position with Governor Doug Ducey's administration as Natural Resource Director.

Ms. Ryall stated that Councilor Winslow McNeill is available via his cell phone if a quorum is needed. (Councilor McNeill arrived later in the meeting.)

ITEM #6: OPEN CALL TO THE PUBLIC

Arnold Robinson is a resident who lives in the 26 Bar Ranch area and has signed petitions from the people in his area about code enforcement issues. Town Manager Tami Ryall told Mr. Robinson to give his materials to her and she will provide Council an update so they are familiar with the conditions and what is happening.

Ben Garms moved to Eagar in 1999 and prior to that he lived in Springerville and has lived in the communities for a total of thirty-nine years. Would like to see something done about the conditions in the 26 Bar area where he resides.

ITEM #7: PRESENTATIONS

A. MID-YEAR BUDGET UPDATE

Town Manager Tami Ryall said that this year they are doing something a little different with the budget by conducting a mid-year review. Finance Manager Katie Brady noted in the documents which departments that could have a possible budget overrun. At this time no departments are over in line item budgets. There are a couple that are trending a bit over and they are line items that will be watched:

- Town Manager is near to over budget because of the negotiated contract that was done after the town budget was approved. There might be possible changes to that budget.
- Fire Department contracted employee is setting at 79.4% exceeding the fiscal year halfway mark primarily because part-time employees that haven't taken compensation in the past are now taking it. Secondly, two Public Works employees that get their 40 hours and the time charged to the fire department is at the overtime rate. Those two employees have since left the town for other employment. Fire Chief Adams has provided a memo detailing the areas of concern.
- Parks and Recreation Department portrays a needed adjustment shift in line items.
- Facilities is the largest needed budget shift right now because of the loss of the Spanish Trail Yard shed that was reconstructed. The project cost the Town without equipment use being valued in \$14,769.05; of that amount the Town did receive \$10,000 in pay out from the insurance company. A Racquetball Court roof repair cost \$5,256.53 for a repair that was not scheduled to happen.

- Fleet Department will see an internal shift as well as the recently purchased used crane was inspected with problems found. To meet OSHA requirements it was repaired to keep in compliance.
- HURF Department had a transfer of line item from Road Material Supplies to Right-of-Way Supplies. Did not project enough for replacement of weed eaters, brackets and banners along our right-of-way on Main Street.
- Water Department is a line item shift to cover the land lease that lapsed with Arizona State Land Department as they charged a penalty for water lines in the ground that they were unaware of since 1948. The penalty was a one-time occurrence of \$4,100; the lease amount is \$1,200 a month.

The consolidated budget shows the revenue accruals through December. Council doesn't see those accruals happening in the monthly Town's financial statements. Took December's financial statement and added to the state shared revenue accruals to show the positive trending, which if it continues, the Town will realize an excess of revenue at the end of December of \$94,282.32.

Councilor Steve Erhart asked if there was a similar revenue projection to the end of the fiscal year. Ms Brady does not have revenues projected to year end. Ms Ryall informed Council that they do have the budget forecast and revenue forecast that was included in the budget and this is just comparing it to the actual, so we can see if we are staying ahead.

Councilor Erhart wanted to know how close this would run in the next six months. Ms. Ryall told Council that they could have that information prepared for them for the next Council meeting; revenues generally comes in at different times of the year. Ms. Brady said the Council gets a bit of the information with the monthly financial statement. The State Shared Revenue is the only one highlighted that shows the years past trends on how it is earned.

Councilor Allen Browning asked what the big shift was under Facilities Department for the telephone. Ms Brady said the Town went to a different type of internet and different type of phone account through our IT contractor and Frontier. The Frontier account has been reviewed and found that there were numerous lines that were not used or needed yet we were paying for them; the lines identified were removed. As the Town has a large business account with Frontier there is one contact person that works with our account and we have had difficulty with that contact changing and processing our requests for line removals and through their billing process. Ms Brady understands that Frontier will not go back and credit the Town for those months. She projects that the Town will be under budget by \$8,000 on account due to the above scenario as well as it may have been that the projection she was given also was under; although she did verify multiple times that they believed that our main phone line would drop by that amount of money. With this possible shift we can save in another line item, which is what we will try to do within the department and not make any changes between departments which is the bottom line. At this time we are not over but are at 70.4% in Facilities and we should be at the 50% mark.

Vice-Mayor James Nelson, Jr. said to let the minutes show that Councilor Winslow McNeill has joined the Council Meeting.

ITEM #8: CONSENT AGENDA

- A. APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETING HELD JANUARY 20, 2015
- B. APPROVAL OF DECEMBER 2014 NATIONAL BANK OF ARIZONA TRANSMITTALS, CHECKS WRITTEN, PAYROLL DIRECT DEPOSIT VOUCHERS, AND CREDIT CARD PURCHASES

Councilor Steve Erhart moved to approve the Consent Agenda as presented. Councilor Winslow McNeill seconded; all were in favor, motion carried unanimously. 5-0

ITEM #9: UNFINISHED BUSINESS

- A. DISCUSSION AND CONSIDERATION OF DECEMBER 2014 FINANCIAL REPORT AND SALES TAX REPORT

Ms. Brady said the Town is trending to be on schedule for year end. The General Fund revenues are at 48.9% and the expenditures are at 46.6%. HURF fund is at 45.2% of revenues earned and 43.8% at expenditures. The other large fund that the Town has is Utility with revenues at 45.9% and expenditures at 53.3%. The Town has already recognized all of the large debt payments to date.

In State Shared Revenue City Sales Tax is doing really well as the Town is 9.9% over last years amount in the December time frame. The Sales Tax continues to grow. The other State Shared Revenue City Sales Tax the towns Income Tax and Vehicle License Tax is 8.4% over last year at this point in time. The towns HURF revenues are 7.2% over last years at this time.

ITEM #10: NEW BUSINESS

- A. DISCUSSION AND FIRST READING OF ORDINANCE 2015-01 AMENDING THE EAGAR TOWN CODE TITLE 2 SECTION 2.08.020 IN REGARDS TO THE VICE-MAYOR'S APPOINTMENT AND TERM

Ms. Ryall said this item is clean up of Town Code. Town Code currently did not have the term of the Vice-Mayor matching up with the with the four-term election cycle. For example, the Vice-Mayer was up for election this year in the middle of his four-year vice mayor term. Ms Ryall would like to change the code to coincide with each of the elections, so at each two year intervals Council would select the Vice-Mayor for a two-year term with no overlap.

B. DISCUSSION AND CONSIDERATION OF RESOLUTION 2015-04 SUPPORTING LEGISLATION TO EQUALIZE THE MAXIMUM TAX CREDITS FOR DONATIONS TO QUALIFIED CHARITABLE ORGANIZATIONS, PRIVATE AND PUBLIC SCHOOLS, AND TO EQUALIZE THE TIME FRAME ALLOWED FOR COLLECTION OF THOSE FUNDS

Ms Ryall stated that the White Mountain Mayors and Council members Association is in favor to pursue this legislation. Included in the packet that we presented to them was a model resolution that they could adopt within their own councils. A couple of those jurisdictions have already adopted the resolution. To help bolster our packet going forward to the League the Town of Eagar could adopt the resolution as well and get as many communities to send that forward. Included in the packet is a small fact sheet restating Council's support of this particular legislation of equalized tax credit donation to a public or charitable organization to match what you can donate to a private organization and the time frame.

Councilor Winslow McNeill moved to approve Resolution 2015-04 supporting legislation to equalize the maximum tax credits for donations and to qualified charitable organization, private and public schools, and to equalize the time frame allowed for collection of those funds. Councilor Allen Browning seconded; all were in favor, motion carried unanimously. 5-0

C. DISCUSSION AND CONSIDERATION OF RESOLUTION 2015-05 GIVING NOTICE OF THE TOWN OF EAGAR'S REQUEST TO THE STATE LAND DEPARTMENT TO ALLOW THE TOWN OF EAGAR TO EXTEND AND INCREASE THE CORPORATE LIMITS BY ANNEXING STATE LANDS, CONTIGUOUS TO THE EXISTING TOWN LIMITS PROPERTY WEST OF THE CURRENT TOWN LIMITS TO INCLUDE THE TOWN INDUSTRIAL PARK

Ms. Ryall stated this item regards a continuum of annexation of town property outside of the Town's corporate limits. In 2005 the Town applied to the Arizona State Land Department for annexation of the industrial park but there is a state law stating annexation cannot happen unless you can show that the land contiguous to the Town boundary. You also have to demonstrate that you are not going to go further out than you go wide to annex that property. This is because in the 1980's and 1990's there were problems in the state with other jurisdictions sending tentacles up the highways to go get particular pieces and skipping a bunch of property in between. This presents a quandary because the industrial park property is separated from the town by a tract of state land and also some land that is owned by the Hopi Tribe. We are reapply for annexation with fresh eyes and additional information included in the packet for the Arizona State Land Department, especially with the need for rural economic development and just what role this annexation would play in the Town's future and development along that corridor. Ms Ryall noted at last attempt the Council had submitted a resolution showing the Council's support and Ms. Ryall is recommending that the Council again adopt a resolution in support of the annexation.

Councilor Steve Erhart moved to approve Resolution 2015-05 as presented. Councilor Allen Browning seconded; all were in favor, motion carried unanimously. 5-0

Resident Gary Finch stated that we have the industrial park that we are trying to encourage people to use to put in new businesses. The increase to the city sales tax might make a difference in whether or not they annex, as it wouldn't be county tax anymore it would belong to the Town.

D. DISCUSSION AND CONSIDERATION OF RESOLUTION 2015-06 SUPPORTING A GRANT APPLICATION TO THE ARIZONA STATE PARKS FOR FUNDING OF THE 12TH STREET FLAT TOP TRAIL HEAD PARKING AREA CONSTRUCTION

Public Works Director Bruce Ray informed Council that back in 2009 or 2010 the Town applied for a RAC Grant for a NEPA Study for a trailhead parking improvement at 12th Street for Flat Top Trail that was approved. Starting in 2011 every year the town has applied for another RAC Grant for construction and it was always denied because the NEPA wasn't completed. This last year our application was misplaced by the Forest Service, so the Town's application didn't get heard from the RAC committee. Another grant has been found that that could help complete that project. The Forest Service District Ranger has stated that the NEPA Study is either almost close to being done or is completed. The grant is a State Parks grant using OHV funding. The copper sticker on an ATV provides this funding.

Malena Bazarro at Apache County was volunteered to help us out with this grant. Ms. Bazarro has attended the meetings and met with State Parks and they are very interested in this trailhead parking area. Mr. Ray asks for the Council support in applying for this grant.

Councilor Winslow McNeill moved to approve Resolution 2015-06 supporting a grant application to the Arizona State Parks for funding of the 12th Street Flat Top Trail Head Parking Area Construction. Councilor Allen Browning seconded; all were in favor, motion carried unanimously. 5-0

Councilor Winslow McNeill is assuming that the answer is no, but if we are using OHV funds will we have OHV access from there? Mr. Ray replied that the Flat Top Trail is a non-motorized trail. Resident Jim Finch, Jr. said if they are using OHV funds then ATV's should be able to use that. There is enough discrimination.

Vice-Mayor James Nelson, Jr. called a recess [at 7:35 p.m.].

Council reconvened into Regular Council Session [at 7:50 p.m.].

ITEM #11: EXECUTIVE SESSION

A. EXECUTIVE SESSION AS ALLOWED BY A.R.S. § 38-431.03.A4 DISCUSSION OR CONSULTATION WITH THE ATTORNEY OF THE PUBLIC BODY IN ORDER TO CONSIDER ITS POSITION AND INSTRUCT ITS ATTORNEY REGARDING THE PUBLIC BODY'S POSITION REGARDING CONTRACTS THAT ARE SUBJECT OF NEGOTIATIONS, IN PENDING OR CONTEMPLATED LITIGATION OR IN SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE

LITIGATION – CONCORD BLUE, LLC PROPERTY LEASE OF SPACE AT THE TOWN OF EAGAR INDUSTRIAL PARK

Councilor Steve Erhart moved to move into Executive Session [at 7:51 p.m.] Councilor Allen Browning seconded; all were in favor, motion carried unanimously. 5-0

RECONVENE INTO REGULAR SESSION

Councilor Winslow McNeill moved to reconvene into Regular Session [at 8:23 p.m.] Councilor Allen Browning seconded; all were in favor, motion carried unanimously. 5-0

B. DISCUSSION AND CONSIDERATION TO ENTER INTO AN AMENDED AGREEMENT WITH CONCORD BLUE, LLC FOR THE LEASE OF SPACE AT THE TOWN OF EAGAR INDUSTRIAL PARK

No action was taken.

ITEM #13: SIGNING OF DOCUMENTS

Necessary signatures were obtained for the Minutes of January 20, 2015; December financial page; Ordinance 2015-01; and Resolutions 2015-04, 2015-15 and 2015-06.

ITEM #14: ADJOURNMENT

Councilor Allen Browning moved to adjourn the meeting [at 8:25 p.m.] Councilor Steve Erhart seconded; all were in favor, motion carried unanimously. 5-0

Attest: _____

Mayor: _____

Vice-Mayor: _____

Council: _____

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes is a true and correct copy of the minutes of the Regular Council Meeting of the Town of Eagar, Arizona held on February 3, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Marion Wiltbank, Assistant Town Clerk