

**MINUTES
EAGAR TOWN COUNCIL
REGULAR MEETING
22 W. 2nd St., Eagar, AZ
May 19, 2009 – 7:00 P.M.**

Mayor Kim Holaway called the meeting to order and welcomed those present. Mayor Holaway stated that Councilor Dustin Sanders is absent and excused and that all other council members are present. Mayor Holaway led the Pledge of Allegiance, and Guy Phelps offered the invocation.

COUNCIL PRESENT: Kim Holaway, Mayor
 James Nelson, Jr., Vice Mayor
 Gary Finch
 Guy Phelps
 Byron Smith
 Steve Erhart

COUNCIL ABSENT: Dustin Sanders

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

ITEM #5: REPORTS

A. MAYOR

The town clean up committee has decided on a name – “Pitch In – Clean Up”.

Reminder of Round Valley Round Up this coming weekend starting off with the opening of the River Walk Trail, with activities through Sunday.

The Humane Society will be holding their fundraiser beginning May 29th at the Eagar Event Center (blue building). The Humane Society is raising funds to build a no-kill animal shelter.

B. COUNCIL

Councilor Steve Erhart reminded the Council that The League of Arizona Cities and Towns is asking cities and towns to take the opportunity to affect the League’s legislative agenda and policy perspective for next year’s legislative session by considering resolutions. The League requests resolutions to be broadly applicable to cities and towns and that they advance a shared goal of providing quality services based on local needs. This year’s

deadline for submitting resolutions to the League will be July 10, 2009 and all resolutions must have at least one other city or town signed on as a cosponsor.

Vice-Mayor James Nelson will be attending the 2009 Annual League Conference this year.

C. STAFF

Town Manager Bill Greenwood conducted a conference call with HDR Consultants, the consultants assigned by Arizona Department of Transportation (ADOT) regarding the American Recovery and Reinvestment Act (ARRA) yesterday. The new estimated costs and time frames that were discussed were discouraging. The conference call revealed that the environmental study could take up to six months and will cost approximately \$40,000. Governor Brewer finally signed the certificate that has been in her office for several weeks.

Councilor Byron Smith stated that in the regional ADOT meeting he attended, there is a movement to remove HDR Consultants from the environmental studies. The proposed projects are “shovel ready”, and there is concern that all of the state’s stimulus money will be released at the same time driving up asphalt costs.

With the Governor’s signature things are starting to move slowly. Funds must be committed by the March 10, 2010 deadline. Mr. Greenwood is reporting that projects will probably be on hold until next summer. There is another clause attached to the stimulus money that requires entities to return money if projects are not completed within a given time frame.

ITEM #6: OPEN CALL TO THE PUBLIC

None

ITEM #7: CONSENT AGENDA

APPROVAL OF MINUTES OF THE JOINT COUNCIL MEETINGS HELD APRIL 2009

APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETINGS HELD APRIL 2009

APPROVAL OF MARCH 2009: BANK TRANSMITTALS 1-20, BANK OF THE WEST CHECKS WRITTEN FROM 13069-13701, NATIONAL BANK OF AZ CHECKS WRITTEN FROM 26053-26242, PAYROLL DIRECT DEPOSIT VOUCHERS 4090901-4230937, COMMUNITY FIRST CREDIT CARD PURCHASES

Councilor Byron Smith moved to pass the Consent Agenda. Councilor Steve Erhart seconded; all were in favor, motion carried unanimously. 6-0

ITEM #8: UNFINISHED BUSINESS

A. DISCUSSION AND CONSIDERATION OF THE MONTHLY FINANCIAL REPORT / STATUS OF FISCAL YEAR 2008/2009 BUDGET, AND THE TOWN'S SALES TAX REVENUE REPORT

The Town has received some of the past due revenues, and there is an increase adjustment to the Utilities Fund to meet debt obligations. Accounts payable were released yet there is still approximately \$57,000 in accounts payables on hold. \$90,000 has been sent to the debt savings account for the upcoming debt payments due July.

Bashas' is reporting record sales for the month.

Tucson Electric Power (TEP) construction project is almost complete just as Salt River Project (SRP) starts their construction. However, the SRP project is not as large as TEP's and it is expected that most of the monies generated will be centered in St. Johns.

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

None – The Council continues to monitor the legislative budget session.

ITEM #9: NEW BUSINESS

A. DISCUSSION AND CONSIDERATION AWARDDING CINDER PIT OPERATION TO BIDDER

Councilor Steve Erhart had a conflict of interest with this item and he excused himself from the discussion and consideration.

Two proposals to operate the town's cinder pit were received. Proposals were received from Larry Coffelt with Quest Enterprises, and Kelly Baca with White Mountain Excavation. Based on the information received, Town Manager Bill Greenwood made a recommendation to accept Larry Coffelt's proposal.

Mr. Coffelt proposed to lease the cinder pit for a twenty-year period adding on in phases. He also proposes to construct a plant to make cinder block as delivery of equipment and expenses/revenues allow.

Mr. Baca proposed to lease the cinder pit for a five-year term with an option to renew in five-year increments. He proposes to pay the town \$.85 per cubic yard for the first five years. Ten percent increases would be allowed for each additional five-year period.

The Council had several concerns that were not addressed in the proposals. They asked that both bidders prepare a complete business plan and to be prepared to present their business plan at the June 16, 2009 regular council meeting.

B. DISCUSSION AND CONSIDERATION TO ACCEPT DUSTIN SANDERS' RESIGNATION AND DECLARE THE COUNCIL SEAT VACANT

Councilor Steve Erhart moved to accept Dustin Sanders' letter of resignation. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 6-0

C. DISCUSSION AND CONSIDERATION TO FILL BY APPOINTMENT FOR THE UNEXPIRED TERM, OR FOR APPOINTMENT, UNTIL THE NEXT REGULARLY SCHEDULED COUNCIL ELECTION, THE COUNCIL SEAT LEFT VACANT BY DUSTIN SANDERS

The Council is requesting a cover letter and resume from interested applicants. The vacant council position will be advertised in the Apache County edition of the White Mountain Independent, on flyers, and the town's website. Consideration of questions and format to be used to interview candidates will be discussed at the June 2, 2009 regular council meeting. Interviewing of applicants will be held at a council work session on June 16, 2009. Selection of a candidate to fill the vacant council position will be determined at the June 16, 2009 regular council meeting.

D. DISCUSSION AND CONSIDERATION TO ACCEPT THE REIMBURSEMENT AGREEMENT BETWEEN THE TOWN OF EAGAR AND BRIAN ROGERS AS RECOMMENDED BY THE MUNICIPAL PROPERTY CORPORATION

Councilor Steve Erhart had a conflict of interest with this item and he excused himself from the discussion and consideration.

Vice-Mayor James Nelson moved to accept the Reimbursement Agreement between the Town of Eagar and Brian Rogers as recommended by the Municipal Property Corporation. Councilor Byron Smith seconded.

Discussion: As an incentive for businesses to purchase and use property belonging to the Municipal Property Corporation, the Town, in this agreement, is agreeing to pay the buyer, Brian Rogers, on an annual basis for the first five years following the opening of a restaurant on the property the amount of sales taxes received by the Town from business conducted on the property, not to exceed \$2,465 per year.

The Town will allow Mr. Rogers to offset the cost of acquiring and installing the asphalt that will be needed to redesign the property entrance against amounts owed by Mr. Rogers to the Town for plan review fees, permit fees, utility connection fees and other fees or expenses required to be paid by Mr. Rogers to the Town in connection with planning or construction of improvements on the property (this does not include Impact Fees.)

All were in favor of the motion; motion carried. 5-0, 1 Abstention

E. DISCUSSION AND CONSIDERATION OF IMPACT FEE MODIFICATIONS AND NOTIFICATION OF INTENT

Mayor Kim Holaway moved to give notice to the public of the Town's intent to modify Impact Fees. Vice-Mayor James Nelson seconded; all were in favor, motion carried unanimously. 6-0

F. DISCUSSION OF THE FISCAL YEAR 2009-2010 TENTATIVE BUDGET

Finance Administrator Katie Wood reported budget overruns in the following funds:

- Fund 10-General Government there is a budget over run of \$36,762;
- Fund 30-HURF there is a budget over run of \$21,312;
- Fund 50-Utilities there is a budget over run of \$45,685

The Utilities Fund does not have a shortfall of \$324,315 because there is \$370,000 worth of depreciation listed as an expense. Several revenues were not listed in the budget to include: the School Resource Officer Grant, Byrne Competitive Grant (dispatch services), and Western Arizona Power Agreement (electricity discount), as these revenues have not been confirmed. Step increases for beginning level employees, and reinstating employees that were on 32 hours per week to 40 hours per week is included in the budget.

Ms. Wood has prepared a very conservative, balanced budget with ample opportunity to have a health contingency fund. It is very hopeful that the Council's desires to start a reserve fund may happen for fiscal year 2009-2010. However, administration is prepared to make further personnel expense cuts if the need arises.

ITEM #10: SIGNING OF DOCUMENTS

Signed the Minutes of April 2009.

ITEM #11: ADJOURNMENT

Councilor Gary Finch moved to adjourn the meeting at 8:30 PM. Seconded by Councilor Steve Erhart; all were in favor, meeting adjourned.

Attest: _____

Mayor: _____

Vice-Mayor _____

Council: _____

Council Regular Session
May 19, 2009

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 May 19, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

Eva M. Wilson, Town Clerk