

MINUTES
TOWN OF QUARTZSITE
REGULAR MEETING OF THE COMMON COUNCIL
TUESDAY, AUGUST 26, 2014, 7:00 PM

CALL TO ORDER: 7:00 p.m.

INVOCATION: The Mayor called for a moment of silence for two losses to the community: Mr. Robert Bennett, son of former Mayor Steve Bennett; and Ronnie Fisher, son-in-law of former Vice Mayor Barbara Cowell. Both died this week.

Audrey Berger gave a prayer.

PLEDGE OF ALLEGIANCE: Led by Vice Mayor Jewitt.

ROLL CALL: Present: Mayor Foster, Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Scott, Council Member Timberlake.

STAFF PRESENT: Skylor Miller, Town Manager; Susan Goodwin, Town Attorney; Tina Abriani, Town Clerk

APPROVAL/AMENDMENT OF AGENDA:

Council Member Scott pulled two checks from the Consent Agenda, #37833 and #37836.

Vice Mayor Jewitt moved to approve the agenda as amended and **Council Member Crooks seconded** the motion. The vote was unanimous. **Motion Passed.**

PRESENTATIONS; PROCLAMATIONS:

1. PROCLAMATION – National Preparedness Month, September 2014

The Mayor read the September 2014 National Preparedness Month proclamation aloud.

CONSENT AGENDA:

- 2-a. LEDGER OF ACCOUNTS PAID – Consider approval of check series 37769 - 37847, totaling \$186,474.62.**
- 2-b. MINUTES – Consider approval of the minutes of the Regular Meeting of August 12, 2014.**

Vice Mayor Jewitt moved to approve the consent agenda as amended and **Council Member Crooks seconded** the motion. The vote was unanimous. **Motion Passed.**

Council Member Scott asked Town Manager Miller about check #37833, in the amount of \$7,169.54, for the Sales Tax Auditor. She asked if the auditor had submitted a bill itemizing the charges.

Town Manager Miller stated this invoice was from before he made the request to the auditor to itemize his billing.

Council Member Scott moved to approve check #37833 and **Council Member Timberlake seconded** the motion. The vote was unanimous. **Motion Passed.**

Council Member Scott asked Town Manager Miller about check #37836, in the amount of \$2,860.00 for fire alarm and extinguisher test & inspection. She asked how many fire alarms the Town has and stated it seems like a high amount for testing. She asked him how many devices are tested for this amount and asked him to look into finding a company that is closer or cheaper.

Town Manager Miller stated he will provide a copy of the invoice to each Council Member.

Council Member Scott moved to approve check #37836 and **Council Member Timberlake seconded** the motion. The vote was unanimous. **Motion Passed.**

PUBLIC HEARING:

- 3. PUBLIC HEARING - Consider approval of a resolution establishing increased water fees; providing for repeal of all conflicting resolutions; and providing for severability.**

Town Manager Miller stated the rate increase has been a multi-month process with numerous presentations before Council; the first held on May 29, 2014, followed by June 10, 2014. He stated the final proposal was presented at the July 22, 2014 regular Town Council meeting and nothing has changed in the Fair Rate Plan structure.

Kevin Murphy of Atkins explained water rates were not adjusted for quite a few years. He advised that the Town found a way to back-charge the HURF funding that had not been paying for water which offset the immediate increases that were necessary to bring this up from the \$425,000 shortfall in current revenue streams versus what the current expenditures are for the water budget. The increase corrects that moving forward and corrects it in a way that allows the HURF fund to repay which reduces the necessary increase over a two year period.

Town Manager Miller advised the notice and supplemental study that was posted and found in the hand out packet needs to be updated: He stated Table 2, the current rates that are shown, need to be updated. There is actually less of a gap than what is being shown (between now and what is being proposed). The changes are as follow:

<u>Meter Size</u>	<u>Current Rate as approved in 2011</u>
¾"	27.04
1"	43.23
1 ½"	53.91
2"	107.99
3"	161.90
4"	215.82

Council Member Scott asked Mr. Murphy to review an example of what an individual home owner pays now and will pay with the increase.

Council Member Scott noted that the increase is not a two-tier system anymore; it is just a flat rate of \$3.90 per 1,000 gallons.

Town Manager Miller stated that all users pay the same amount based on their meter size.

Council Member Scott asked what the cost would be if the Town didn't charge the HURF fund for water to help offset the increase.

Town Manager Miller explained that instead of \$3.90 per 1,000 gallons, it would be \$5.08 per 1,000 gallons.

RV park meter sizes and water fees were discussed.

Mr. Murphy stated it is safe to say the contribution to the water fund from the RV parks will go up significantly from what it has been in the past.

Ms. Bennett stated that with this proposed rate structure everybody pays the same rate for the same meter.

The Mayor asked what the \$425,000 shortfall is based on; the budgeted amount for operating the Water Department this year, or on actual numbers.

Town Miller stated that is a budget shortfall. He explained the new budget is based on the proposed new rates.

Robert Gunny St. Germain asked if the fees received from the water rates will be dedicated solely to the water department, or be used for other things. The answer from the Council was yes.

Mr. St. Germain asked if there were any programs or plans for the future to look at the budget to save money in the Water Department. He listed items such as shopping for chemicals and employees. He asked if there were any planned departmental budget cuts to help save money instead of putting the necessary rate increase totally on the citizens.

Council Member Orgeron stated the Council and the Town staff continually look at the budget. He related an example: Mr. Miller comes across a contractor who can provide chemicals at a much cheaper cost, the Town takes advantage of that savings and the budget gets adjusted.

Mr. St. Germain asked if the budget could be cut by 3% or 4 % in the future.

Council Member Orgeron advised the Council and the Town staff are always looking at where money might be saved. He explained if the budget is cut by 3% or 4%, the only thing that is standard is personnel and if an alarm goes off and someone cannot respond, that is due to a cut. Council Member Orgeron proffered that when things in the future require less personnel, due to advances in technology, then instead of a crew of five, operations may require only one person. Council Member Orgeron stated that regarding the number of employees, the Town is at where it should be.

Mr. St. Germain asked if, overall, as a whole department, there may be a way to save money, such as recycling.

Council Member Orgeron stated the Water Department has to support the Water Department, which is what is being discussed now; the water rates supporting the water system.

Council Member Timberlake added that the portion that Mr. Miller found to charge back to the HURF fund is one way that was found to help with the water rates.

Vice Mayor Jewitt stated that looking for change and looking for reduction is an on-going process and not just in the Water Department.

Town Manager Miller advised that he and his department heads are always looking at ways to save, such as in purchasing equipment or leasing equipment.

Mr. Murphy stated the Town received a fairly sizeable block grant this year to rehabilitate the Quail Trail well. The pump actually went down, just after receiving the

grant. Without the grant, the near \$300,000 cost for rehabilitation would have come from the Water Department fund.

Town Manager Miller advised that another cost-saving measure is the Love's Kuehn water line. That is a project undertaken by the Town's partnership with a local business in order to expand the Town's water system at a fraction of what it would have cost for the Town to do it on its own.

Audrey Berger spoke about the first part of the water bill, the \$31.50. She asked if that pays for any of the water received or just for the meter.

Town Manager Miller stated that is just the base rate.

Ms. Bennett stated that is just for the meter.

Ms. Berger asked if users must pay for the meter even though they bought it.

Town Manager Miller explained users pay for the service and pay for the usage.

The Mayor explained it is not necessarily the meter for which there is a charge; it is for the Town to provide water through the system from the wells to the meter.

Council Member Orgeron explained the volumetric system as having a base rate charges for any usage.

The Mayor read the public hearing agenda item.

Council Member Timberlake moved to approve a resolution establishing increased water rates; providing for repeal of all conflicting resolutions; and providing for severability. **Vice Mayor Jewitt seconded** the motion.

Roll Call Vote: Motion passed (summary: Yes = 5, No = 2, Abstain = 0).

Yes: Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Timberlake.

No: Mayor Foster, Council Member Scott.

Mayor Foster explained he voted against the increase for the reason that the Council has not looked at the budget for the Water Department; the fee is based upon possibly incorrect numbers; and he doesn't believe the Council has used its executive approval to come up with a budget for the Water Department upon which to base these rates.

Council Member Scott explained her nay vote. She stated she has too many questions that haven't been answered, yet. She advised that she knows an increase is needed. She said she is not prepared to vote for it tonight with a yes vote.

ADMINISTRATIVE ITEMS:

- 4. EXECUTIVE SESSION - An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding contemplated litigation related to the termination of the Power Purchase Agreement with SunEdison Origination1, LLC.**

The Mayor read the executive session agenda item aloud.

Vice Mayor Jewitt moved to go into executive session for the reasons just stated. **Council Member Scott seconded** the motion.

ADJOURN TO EXECUTIVE SESSION - 7:35 p.m.

RETURN TO OPEN SESSION - 8:01 p.m.

The Mayor called the Regular Meeting of the Common Council of the Town of Quartzsite back to order.

ROLL CALL:

Present: Mayor Foster, Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Scott, Council Member Timberlake.

PUBLIC HEARING:

- 5. LIQUOR LICENSE - Conduct hearing and consider recommending approval of a Special Event Liquor License for the Quartzsite Rotary Club's Rotary Day Event.**

The Mayor introduced the Public Hearings and stated the matters would be open for public discussion.

Violet Kiss of the Quartzsite Rotary's Club stated the Rotary Club will be having the Rotary Club's Rotary Day. She advised the purpose of the Rotary Day is to introduce people to the Rotary Club; educate them regarding what the Club does and how the Club helps others. The day will start with an event with runners and walkers called Walk and Roll. Ms. Judy Clark, a Club Member, will be the Chairperson for this. Anyone with walkers, a mobility device, or something they have created, such as a derby car, can participate. There will be a lot of awards; fun awards and serious awards. The proceeds of the event will go to the largest project in the history of Rotary,

which is 'End Polio Now'. There is a sign on Hwy. 95 going south, near Kuehn. It is a massive program. There are three countries left having a few cases of polio. The Rotary Club is partnered with the Gates Foundation to accomplish the end of polio.

Ms. Kiss announced that the rest of the day will have a barbeque, games and many different activities. The event will be held at the Town Park. There will be a beer garden at the Snack Shack and it will be contained. She stated she has insurance for the event and she will have law enforcement there.

Town Manager Miller advised this is an initial process. The full event has not been planned out.

The Mayor asked the date of the event. Ms. Kiss advised it will take place on Saturday, November 8, 2014.

Vice Mayor Jewitt moved to approve the forwarding of this liquor license application to the State and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed.**

6. LIQUOR LICENSE - Conduct hearing and consider recommending approval of a Special Event Liquor License for the Quartzsite Women's Club Third Annual Wine & Cheese Party.

The Mayor introduced the public hearing.

Mary Ann Peck, the President of the Quartzsite Women's Club, stated the Third Annual Wine & Cheese Tasting at Tyson Wells - the Number One building – will be held Saturday, October 18, 2014 from 3:00 p.m. to 7:00 p.m. She invited everyone and advised 100% of the proceeds will go to the Club's scholarship fund. The event will be confined to the building.

Council Member Timberlake moved to approve the Special Event Liquor License for the Women's Club Wine & Cheese Event to be forwarded on to the State and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed.**

COMMUNICATIONS:

Announcements and Reports from the MAYOR on current events.

The Mayor announced the Election is over and good luck to everyone when the count comes in. He added that there was one winner already, Mr. St. Germain.

Announcements and Reports from the COUNCIL on current events.

Council Member Kelley advised that the Council attended the League of Arizona Cities and Towns and learned quite a bit. She asked that all come to the Labor Day Celebration and said more help for the event is needed.

Reports from the TOWN MANAGER to the Council.

Town Manger Miller stated the sales tax auditing is a hot topic right now. He advised that he had the benefit of meeting with an Arizona League of Cities and Towns' representative who is an expert on this matter. The representative told the Town Manager that he is willing to do a presentation for the Council in Quartzsite on behalf of the League of Arizona Cities and Towns. Town Manager Miller recommended to Council that they and the Town Manager organize something with League's representative in the near future.

The Mayor asked about the report that he requested listing the bottom line of the auditor's work.

Town Manager Miller replied it is very difficult for the Town to break out the figures to see what the Town's final return is because if a tax payer, that has been assessed, pays those assessments to the State, those payments come in to the Town as regular sales tax revenues.

The Mayor stated the Council really needs that information to make a judgment.

Town Manager Miller is still getting the information together for a future meeting.

Town Manager Miller announced the Police Department has recently received two grants from the Governor's Office of Highway Safety (GOHS). One \$6,000 grant is for overtime activities; and, the other \$6,000 grant is for DUI enforcement.

Town Manager Miller stated there will be a Labor Day celebration.

Town Manager Miller announced August 28, 2014, at 5:00 p.m., the Quartzsite Elementary Open House will be held. He advised the Town will have a table set up there to provide information about the Town.

The Town Manager advised that along with the proclamation made by the Council earlier in the meeting, the Town will be getting information from ready.gov, the preparedness website, and start providing material to the public for September Preparedness Month.

COMMUNICATIONS FROM CITIZENS:

None.

Vice Mayor Jewitt moved to adjourn the meeting and **Council Member Timberlake seconded** the motion.

The Mayor adjourned the meeting.

ADJOURNMENT: 8:13 p.m.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of August 26, 2014, of the Town Council of Quartzsite, Arizona, held on August 26, 2014.

I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 9th day of September 2014

Tina M. Abriani, Town Clerk

On behalf of the Common Council

Approved:

Ed Foster, Mayor