MINUTES
TOWN OF QUARTZSITE
REGULAR MEETING OF THE COMMON COUNCIL
TUESDAY, OCTOBER 28, 2014, 7:00 PM

CALL TO ORDER: 7:00 p.m.

The Mayor called the meeting to order at 7:00 p.m.

The Mayor stated that the Council failed to mention former Council Member Joe Winslow's passing at the last Council Meeting. The Mayor added that Randie Farish, a Member of the Planning and Zoning Commission, passed away the other day and that Gunny St. Germain, elected to Council but not yet serving, had a heart attack and is in the hospital.

Vice Mayor Jewitt advised that former Council Member Glenn Churchill also passed away on October 23, 2014.

INVOCATION: Prayer given by Pastor Bruce Swart.

PLEDGE OF ALLEGIANCE: Led by Council Member Kelley.

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

APPEARED BY PHONE: Council Member Scott

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

APPROVAL/AMENDMENT OF AGENDA: Vice Mayor Jewitt moved to approve the agenda as presented and **Council Member Crooks seconded** the motion.

The Mayor advised there was an amendment to the agenda. He stated check numbers 38063, 38088, 38095 were pulled and a correction to the minutes of October 14, 2014 on page three needs to be made.

Council Member Orgeron pulled check number 38092.

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

CONSENT AGENDA:

1-a. LEDGER OF ACCOUNTS PAID – Consider approval of check series 38051 - 38097, totaling $205,976.02.

The Mayor asked Council Member Scott what her question regarding check number 38063 was.

Council Member Scott stated check number 38063 is for $100,000 for a settlement agreement and that she just wanted to know what that was for.

Town Manager Miller advised that was a payment on the Q-8 settlement.

Council Member Scott noted check number 38088 was for a tax audit. She asked if the auditor is now producing itemized statements for the Town.

Town Manager Miller said the auditor is not providing a lot of detail, but the auditor will be at the meeting later for a presentation.

The Mayor stated that check number 38088 will be held until after the presentation.

Regarding check number 38095, Prosecutorial Services for Mr. Ward, Council Member Scott asked about the meaning of the balance amount when the Council was advised that Mr. Ward was on a monthly retainer.

Town Manager Miller stated he thinks the 'balance' in parentheses is just a code in the system. He advised the $1,522.50 check to Mr. Ward, was in addition to his normal scope of work for the Town when prosecuting within the Magistrate Court. Town Manager Miller explained this check has to do with Council's direction to review the alleged misdemeanor action of the Mayor.

The Mayor suggested 38092 be reviewed.

Council Member Orgeron asked about check number 38092, payable to the Town of Payson and in the description it has defense program – annual fee.

Town Manager Miller recommended that the item be tabled and he advised he will provide the information to Council as he did not have the back-up documents with him to explain the payment.

The Mayor reviewed the status of the checks questioned at the meeting: 38092 was tabled, 38088 was tabled and a motion is needed to approve 38063 and 38095.

Council Member Orgeron moved to approve check 38063 and 38095. **Council Member Timberlake seconded** the motion. The vote was unanimous. **Motion Passed.**

1-b. MINUTES – Consider approval of the Amended Minutes of the Regular Meeting of September 23, 2014; the Minutes of the Regular Meeting of October 14, 2014 and the Minutes of the Special Meeting of October 17, 2014.

Council Member Scott referenced page 3 of the minutes of the October 14, 2014 Meeting minutes. She noted that a portion reads 'Scott' and it should read 'Council Member Scott'.

The Mayor directed staff to correct the minutes and bring them back as an agenda item at the next meeting for approval.

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

ADMINISTRATIVE ITEMS:

2. NEW COMPUTER AND SOFTWARE FOR THE UTILITIES DEPARTMENT - Review, discuss and consider approval of the purchase from Yuma Winnelson, Co. of proprietary computer equipment with meter reading software in the amount of $8,130.90.

Town Manager Miller explained the history of the agenda item. He stated last summer there was a tough book laptop purchased by the Utilities Department and it was ordered based on the assumption that it had been previously approved by the previous Utilities Director and the previous Town Manager. Town Manager Miller advised that he was not asked for approval on this item.

Town Manager Miller explained that the total dollar amount was over $8,000 and in violation of the Town's procurement policy (as this was not approved by the Council before purchase).

Town Manager Miller stated the purchase was made from a sole source bidder. He said the cost of the proprietary software itself, without the laptop, would have been just as astronomical and the business model they have encourages purchase of their laptop with the software, warranties on the hardware and the software, all included.

Town Manager Miller explained there was a need for the new equipment. He stated the earlier laptop, used for reading meters, was over eight years old and constantly lost meter reads.

Town Manager Miller stated there has been a department head meeting of all departments to reiterate the Town's procurement policy since the purchase.

Vice Mayor Jewitt moved to approve the purchase of the meter reading laptop with software and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed**.

3. HI JOLLY CEMETERY BOARD REAPPOINTMENT - Consider the reappointment of Pastor Bruce Swart, the Chairman of the Hi Jolly Cemetery Board, whose term expires in November 2014. The new term would expire November 2017.

Pastor Bruce Swart said it has been an honor to serve the community and that he would consider it an additional honor to keep serving on the Board.

Council Member Timberlake moved to appoint Bruce Swart to the Cemetery Board with a term expiring 2017 and **Vice Mayor Jewitt seconded** the motion. The vote was unanimous. **Motion Passed**.

4. SLURRY SEAL BID – Consider award of contract to T & C Seal Coating, Inc. for slurry seal services for Fiscal Year 2014-2015.

Town Manager Miller advised the bid is consistent with bid proposals that have been received in the past. He noted the price increase is nominal, maybe a penny. He said he looks forward to moving on with the Town's resurfacing projects.

Council Member Timberlake moved to approve the bid from T & C Seal Coating for slurry seal services for 2014-2015 and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed**.

5. TRANSIT SERVICES UPDATE – Review and discussion of the comparison of Transit Services in Fiscal Year 2012-2013 and Fiscal Year 2013-2014.

Town Manager Miller explained this item was requested by Council Member Scott with, he believes, the intent to have a general discussion of the Town's transit operations. He advised that the Town's Transit Coordinator Janet Collier was present to answer questions.

Town Transit Coordinator Janet Collier asked Council Member Scott if she had any questions with which she wanted to start the discussion.

Council Member Scott advised every one of the purpose of the agenda item: for the Council to see if the system is operating the best that it can for the citizens.

Comparison of the number of riders, mileage and hours were discussed.

Council Member Scott advised that she still gets a lot of complaints that citizens do not enough time to do what they need to do during their trips. She stated she also hears that people are glad that the Transit System is running five days a week.

Council Member Scott asked that the Council discuss and come up with an idea to meet the citizens' needs.

The Mayor stated the Town is down in the ridership and perhaps a rider survey, allowing the riders to give their input, would be valuable in finding out why people are riding less.

The Mayor suggested the Senior Center, the Community Center and other gathering places have the survey available for citizens. He stated that people depend on the transit service and really want it.

Town Manager Miller advised that the Town Code provides for the Health and Development Services Board to have part in discussion and development of transit services. He suggested that the Council direct the Board to work with staff to bring back a package to Council and get the study going.

The Mayor advised the Health and Development Board could hold a public hearing and bring back a recommendation to the Council.

Council Member Scott said she thought that was an excellent idea.

Janet. Collier stated the Health & Development Board has planned that its December meeting be regarding strictly the Town's Transit System with public participation.

Janet Collier advised that another reason the number of riders are less than last year is that there are two less trips per week. La Paz County now runs the Parker trips.

The Mayor suggested adding the Parker trips to the numbers to give a more accurate picture of citizen participation.

6. APS FRANCHISE MEMORANDUM OF UNDERSTANDNG – Consideration and possible approval of a resolution deeming that a franchise with Arizona Public Service for the use of Town streets for electric utility purposes is beneficial for the Town and ordering that the question of approval of the franchise by the voters be placed on the March 10, 2015 ballot.

Town Attorney Goodwin advised that the Council passed a resolution to call an election for November 4, 2014 for the voters to approve a new APS Franchise. She advised that she and Town staff do not know exactly what happened but the question did not get on the November 4, 2014 ballot. Town Attorney Goodwin did advise that the Town did everything required of it.

Town Attorney Goodwin stated there will be a Special Election on March 10, 2015, for which the Town of Quartzsite will not be financially responsible at all and the franchise question will be on that ballot.

The Mayor asked Town Attorney Goodwin questions regarding why the Town needs an APS Franchise.

Town Attorney Goodwin explained the franchise concept is in the Constitution and in the statutes. She stated a utility franchise governs the use of the Town's rights-of-way and the utilities pay for that use through a franchise, which is required to be approved by the voters. Town Attorney Goodwin said APS uses the Town's rights-of-way and it pays for that use through a franchise which governs that use, such as when APS has to pay for relocating facilities and when the Town has to pay for relocating facilities. She further stated a franchise sets forth the franchise fee.

The Mayor asked what motion is necessary to approve the franchise.

Town Attorney Goodwin explained the motion is to approve the same resolution that the Council previously approved and to set the new election for March 10, 2015.

Council Member Orgeron moved to adopt a resolution deeming that a franchise with APS is beneficial for the Town and ordering that the question of approval of the franchise by the voters be placed on the March 10, 2015 ballot. **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed.**

7. TAX COLLECTION EFFORTS – Discussion and possible action to change the sales tax collection method currently used by the Town of Quartzsite.

The Council discussed the Town's tax auditor and issues with the auditor's processes and fees.

Mr. Ronal Coleman arrived, set up his PowerPoint presentation and introduced himself as a privilege tax auditor for the Town of Quartzsite. He advised that he works for REDW and does audits in Arizona, California, Minnesota and Virginia.

Mr. Coleman explained that starting January 1, 2015 there will be major changes in the way businesses do their taxes. Highlights of his presentation follow.

The original objective of the Governor was to automate, putting everything on line.

On January 1, 2015, tax payer licenses will have to be renewed every year and everything will have to be done on-line.

There will no longer be any city auditors; they will be state auditors. Mr. Coleman advised that he is training right now to be a certified state auditor with a state number, just like an employee of the Arizona Department of Revenue (AZ DOR).

There will now be non-taxable contracting.

The TPT Simplification Issues Hotline phone number is 602-542-5027.

Everyone currently licensed with the AZ DOR will need to update the license if anything is changed such as the owner or location. This may require an extra fee.

There will be a data bank – all holdings by an owner will be done in one audit.

When filing for a license, one must report all the locations of all the businesses the filer owns.

There will be standardized business codes.

There will be a rate table organized in alphabetical order.

There will be no general code for deductions. There are over 250 codes.

The website www.azdor.gov will have a list of standardized codes.

The Arizona DOR will be the single source of all audits. Standardized audit letters will be generated from the State of Arizona.

There is a new category of contractors called Non-Contractors. Non-Contractors are not taxable. Non-Contractors work directly for a property owner.

They perform maintenance, repair and replacement of existing property; they do not pay tax and do not need a license or a bond. There is no reporting for Non-Contractors.

The key to the definition of a Non-Contractor is that one is doing maintenance, repair, or replacement of existing property.

A Contractor is still synonymous with the word Builder. If you modify or change the existing property you are contracting. If you add a fence you are contracting and the work is taxable. If you are fixing the fence, this is non-contracting and is not taxable.

The Mayor stated the Council had its own questions and concerns about the past process.

Council Member Scott stated she would like to see itemized invoices.

Mr. Coleman responded that itemized billing is available, from as far back as requested.

The Mayor asked who chooses who gets audited.

Mr. Coleman stated he can determine who should be audited based on the tax they pay.

The Mayor asked what percentage of the audits that Mr. Coleman performs result in a refund to the tax payer.

Mr. Coleman stated most of the audits he does end up in assessments.

Mr. Coleman spoke regarding his choices, noticing mistakes and the indications that the tax payer does not know what they are doing.

Council Member Kelley stated a lot of money is paid to Mr. Coleman. She asked that the last six months billings be explained.

Council Member Orgeron asked about the auditor's high cost and stated that he has no clue what the Town is getting for their money.

The Town Manager advised that when a tax payer owes the Town, the Town Manager is advised by the tax auditor.

Council Member Orgeron stated an itemized bill is important.

Vice Mayor Jewitt stated the Council wants to know what the Town is paying for with $12,000 invoices.

Mr. Coleman stated he has performed some large audits and large assessments.

Council Member Orgeron asked for an itemized bill for the last twelve months.

Mr. Coleman advised he will have his company send an itemized list to the Council.

The Mayor asked if refunds go to the Town.

Mr. Coleman advised that the Town has thirty days to refund monies without being charged interest.

Mr. Coleman advised itemized invoices for the last twelve months will be forthcoming.

Mr. Coleman advised that he has assessed close to a million dollars this year and so he doesn't think he has charged that much.

Town Manager Miller asked what information can be passed along to Council as it is confidential.

Mr. Coleman advised that tax payer's names, addresses and tax numbers cannot be disclosed. Only dollar amounts may be disclosed.

The Mayor stated the Council is concerned that the Town is losing money through the auditing process.

The Town Manager will provide an update of the assessed dollar amounts. Town Manager Miller stated the difficulty arises in trying to list what has actually been collected on the assessments.

The Mayor advised Mr. Coleman that if the tax payers are not going to pay the Town any more money as a result of Mr. Coleman's audits, the Town probably does not want to continue its relationship with him.

Vice Mayor Jewitt stated the Town needs the tax income.

The Mayor said Mr. Coleman may be refunding more than the Town is collecting.

Council Member Orgeron noted once the past year of itemized statements have been reviewed, the Council will have a lot more information.

The Mayor asked how soon such a modified report could be produced.

Mr. Coleman said probably by Friday. He explained the records exist, they just need to be compiled.

Council Member Scott asked the Mayor if he was going to direct to have the matter put on the agenda with the information for the next meeting and the Mayor said yes.

The Mayor thanked Mr. Coleman, and then Mr. Coleman left the podium to pack up his materials.

Council Member Orgeron moved to approve check number 38088 and **Council Member Crooks seconded** the motion. The vote was unanimous. **Motion Passed.**

Council Member Orgeron stated, for clarity, that the next agenda item regarding the tax information will include the collection process, what has been collected and what is still outstanding.

8. 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 amendments to a Power Purchase Agreement for Wastewater Project with SunEdison Origination1, LLC that are the subject of negotiations.**

- **An executive session pursuant to A.R.S. § 38-431.03(A)(7) for discussions or consultations with designated representatives of the Town in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property located at 560 Coyote Street, Quartzsite, AZ (APN 306-18-001A).**

The Mayor advised that Council Member Orgeron will recuse himself for the second executive session item which is regarding Ed Options school facility.

Council Member Scott excused herself from the meeting at 8:37 p.m.

ADJOURN TO EXECUTIVE SESSION - 8:38 p.m.

Council Member Orgeron moved to adjourn to executive session at 8:38 p.m. and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed**.

RETURN TO OPEN SESSION - 9:21 p.m.

The Mayor called the regular session of the Common Council back to order at 9:21 p.m.

ROLL CALL:

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

COMMUNICATIONS:

9. Announcements and Reports from the MAYOR on current events.

None

10. Announcements and Reports from the COUNCIL on current events.

Council Member Kelley stated she would like to see everyone Friday night over on Boo-Lavard (a.k.a. Quail Trail) to see Puff the Magic Dragon, an eight-foot fire-breathing dragon with smoke. She said the dragon will be near the airplanes. Council Member Kelley suggested arrival around 5:00 p.m. (starts at 4:30 p.m.). There will be a judging of children's costumes, candy along Boo-Lavard and there will be a haunted house at the Town Hall.

Council Member Timberlake advised that if any businesses or individuals want to participate in the Halloween event and have not yet signed up, call Rain and she will get a table for you.

11. Reports from the TOWN MANAGER to the Council.

Town Manager Miller gave a brief history of the Town's exploration of the possibility of employing duckweed as part of the Town's wastewater treatment system. Mr. Paul Skillicorn of Agriquatics, USA made a very interesting proposal to the Council and the attending audience regarding a duckweed process for bio-filtering the Town's wastewater. It would be a green expansion to the current wastewater treatment plant. The proposal was very well received. The technology presented was very interesting and after the presentation, the request from Council was to provide them with a proposal so that it could start looking at it seriously.

Town Manager Miller reported he last met with representatives from the Alma Energy Group and GE last week. The representatives advised Mr. Miller that they do not think they will be able to meet the Town's timetables. They believe their technology will not be well received by the State of Arizona and that they will need to do pilot projects first. They are looking at a three to five year plan before they can get a pilot program going, so they don't think they will be able to meet the Town's capacity demand.

Town Manager Miller read aloud a letter from Lila Garza of the Alma Energy Group dated October 27, 2014. The letter explained that Agriquatics USA and Alma Energy Group addressed the following points when preparing to present a preliminary proposal for a GE/Agriquatics USA wastewater project in Quartzsite.

- The Town's immediate wastewater needs related to capacity.
- Current funding sources for expansion of the existing wastewater treatment plant project.
- Allocation or re-commissioning of USDA grant not including loan/allocation.
- Current time restraints to start the wastewater plant expansion.
- Current Town financial loan obligations to multiple funding sources.
- Potential restraints from the Arizona Department of Environmental Quality.

The letter advised that the group is not in a position to receive approval from the Arizona Department of Environmental Quality before the Town's need to commence construction April 2015. The group thanked the Town for its interest

COMMUNICATIONS FROM CITIZENS

Sally Ford publicly thanked Skylor Miller, Carol Kelley, Mike Jewitt and Monica Timberlake for attending the appreciation night for Xavier Frausto. She said it was fun and attendees had a good time.

Elmer London advised he wanted to comment on the fish thing. He stated his impression was that the presenter was telling the Town that he was going to make a lot of money and was going to give the Town a little bit of it.

Pam Kasky, a Quartzsite resident, advised that she has been working out at the Food Bank since the spring. She and several other people have decided they want to help the Food Bank by having a Soup and Chowder Festival at the Q.I.A. on the day of the Christmas parade from 3:00 p.m. - 5:30 p.m. There will be a contest to see which soup or chowder tastes the best. There will be a first, second and third prize. Children under six may attend for free; others will be charged a $5.00 fee. Pam Kasky asked that everyone attend the Soup and Chowder Festival.

Bruce Swart, Pastor of the Assembly of God Church in Quartzsite, spoke regarding the Church sponsored fall festival held last Saturday for the third year. Pastor Bruce noted there were thirty to forty people in attendance. There were families with children that had a great time. He said Carla Price asked him to thank: the Roadrunner Market, the

General Store, Walmart, Yesenia Jackson, Monica Timberlake, Carolyn Henshaw and Carol Kelley for their contributions and making it such a success.

Pastor Bruce advised there are plans for December 19, 2014, at the Community Center from 3:00 p.m. – 6:00 p.m., for a Christmas Party which will be open to the entire community.

Pastor Bruce announced himself as the reappointed member and Chairman of the Cemetery Board and advised that this Saturday there will be a Walk with the Past from 1:00 p.m. – 3:00 p.m. honoring military personnel. It is a free event. He thanked and credited Dinice Ross for her great job and hard work on putting the Walk with the Past together.

ADJOURNMENT: 9:34 p.m.

Vice Mayor Jewitt moved to adjourn and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed**.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of October 28, 2014, of the Town Council of Quartzsite, Arizona, held on October 28, 2014.

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

DATED this 12th day of November 2014

Tina M. Abriani

Tina M. Abriani, Town Clerk

On behalf of the Common Council

Approved:

Ed Foster, Mayor