

MINUTES
TOWN OF QUARTZSITE
REGULAR MEETING OF THE COMMON COUNCIL
TUESDAY, FEBRUARY 24, 2015, 7:00 PM

CALL TO ORDER: ■ 7:00 p.m.

INVOCATION

PLEDGE OF ALLEGIANCE

ROLL CALL:

Present: Mayor Foster, Vice Mayor Simpson, Council Member Kelley, Council Member Warner, Council Member Orgeron, Council Member Davidson, Council Member St. Germain.

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

CALL TO THE PUBLIC AND COMMUNICATIONS FROM CITIZENS:

■ Violet Kiss, representing the Quartzsite Rotary, spoke of the upcoming Chili Shoot Out with all net proceeds of the beer garden and the concession stand at the QIA going to the Quartzsite Food Bank.

■ Council Member Kelley announced the Town has taken a table at the County Fair and asked all businesses to bring flyers to the Town Hall and they will be displayed at the Fair in an effort to sell Quartzsite.

Town Manager Miller asked that anyone interested in volunteering their time at the booth at the Fair sign up at the Town Hall.

■ Dennis Dole, Quartermaster at the VFW Post 769, announced an Open House celebration to be held on April 4, 2015 in the new facility. On that day the Post will have its first annual All Fools Rally. Quartermaster Dole asked that everyone to attend.

■ Vice Mayor Simpson announced the Fifth Annual Southwestern Art Show at the Mountain Quail clubhouse to be held on February 27, 2015 and February 28, 2015. He said this event is also a fund raiser for the Quartzsite Food Bank.

■ Shanana Rain Golden Bear spoke regarding the upcoming Grand Gathering. She listed the events to be held during the three day event, Friday, March 6, 2015, Saturday, March 7, 2015 and Sunday, March 8, 2015. She announced that the QIA is the sponsor this year.

■ Jennifer Jones spoke about abandoned cats and the need for a Town animal shelter. She submitted several comment forms regarding a need for an animal shelter to the Town Clerk, leaving the matter in the Council's hands.

PRESENTATIONS/PROCLAMATIONS:

1. PROCLAMATION – Proclamation commemorating the Quartzsite Improvement Association's fiftieth anniversary.

■ The proclamation commemorating the Quartzsite Improvement Association's fiftieth anniversary was read aloud by the Mayor.

2. FISCAL YEAR 2013-2014 AUDIT PRESENTATION –Scott Graff, CPA, of Colby & Powell, PLC will give a presentation of the Town's Annual Financial Statements and Independent Auditors' Report for Fiscal Year 2013-2014.

■ Scott Graff of Colby and Powell presented the Town's Fiscal Year 2013 - 2014 audit report. He stated his firm was paid to provide an opinion on the Town's financial statements. He explained two key components of the audit, management's responsibilities and the auditors' responsibilities.

Mr. Graff advised that management is responsible for the preparation; the fair presentation of financial statements; the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of the financial statements; and to make sure they are free of material misstatements due to errors or fraud.

■ Mr. Graff advised that the auditors are responsible for the expression of an opinion of the financial statements. He explained this is done by planning and performing an audit to make sure they can obtain reasonable assurance that the financial statements are free of financial misstatements. The auditors look for errors and fraud and are responsible for reporting any errors or fraud to the appropriate level of management.

■ Mr. Graff stated the Town's audit report is a clean report, there being no instances of material errors or fraud to be reported.

■ Mr. Graff explained that the Town is responsible for its internal controls which are its policies and procedures. During the audit, some areas that could use improvement were identified; these are called findings.

■ Mr. Graff related three findings that resulted from the audit.

The first finding has been a finding since fiscal year 2011 and relates to the lack of a complete and updated accounting policies and procedures manual.

The second finding is Highway User Revenue Fund (HURF) spending; in Fiscal Year 2013 - 2014 the Town borrowed from HURF and has done so for many years. The balance owed to HURF, as of June 30, 2014, the date of the audit, is \$2,628,628.

■ Mr. Graff explained HURF is restricted use revenue and that highway and street purposes are allowed Highway User Revenue Fund spending.

■ The Mayor asked if the balance owed to HURF has increased or decreased year to year. Mr. Graff replied that it has gone up and down and since the year before, it has increased.

■ Mr. Graff said the last finding is a glitch in the software that maintains the accounting system that reports capacity fees for the Town. He anticipates that by the next audit, that should be corrected by reconciling to the general ledger on a monthly basis and if not, at least on a quarterly basis.

■ The concern regarding borrowing from HURF was discussed. Sewer rates need to be set so that the borrowed funds are restored.

■ Mr. Graff informed everyone that if the sewer and water definitely need to be paying for their own debt service and be self-sustaining, then the increases implemented in the new rates are going to be necessary.

■ Mr. Graff said it is clear the general fund is not sustaining itself.

■ The goal is that the sewer and water can sustain itself when the general fund is not able to contribute.

■ Vice Mayor Simpson asked about how many municipalities that Mr. Graff works with have property tax as a component of their income. Mr. Graff answered that more than half of the municipalities do have a property tax as part of their income.

■ Council Member Warner asked if there is some kind of guideline for the staff to use for allocating the money throughout the budget. Mr. Graff said it is important to be clear when coding invoices, but there is no guideline other than common sense.

CONSENT AGENDA:

3-a. LEDGER OF ACCOUNTS PAID – Consider approval of check series 38543 - 38598, totaling \$42,527.24.

3-b. MINUTES – Consider approval of the minutes of the Regular Meeting of February 10, 2015.

■ Vice Mayor Simpson moved to accept the consent agenda as presented and Council Member Orgeron seconded the motion. The vote was unanimous. **Motion Passed.**

PUBLIC HEARING:

4. **LIQUOR LICENSE PUBLIC HEARING - Conduct hearing and consider recommending approval of a Club Liquor License for the Veterans of Foreign Wars Organization's VFW Post 769 located at 305 N. Central Blvd., Quartzsite, AZ 85346.**

■ Dennis Dole stated the VFW Post 769 has purchased the Palo Verde Café and will move in on April 4, 2015 and is requesting a liquor license, as well as a permanent extension of the premises to include an area to the south of the building.

■ Council Member St. Germain moved to approve the liquor license for the new club at VFW Post 769, located at 305 N. Central Blvd., Quartzsite, AZ and Council Member Warner seconded the motion. The vote was unanimous. **Motion Passed.**

5. **EXTENSION OF PREMISES/PATIO PERMIT PUBLIC HEARING - Discussion and possible action to recommend approval of a permanent Extension of Premises/Patio Permit for the VFW Post 769 located at 305 N. Central Blvd., Quartzsite, AZ, to the Arizona Department of Liquor Licenses and Control.**

■ Dennis Dole explained the premises and the proposed cement area.

■ Council Member Davidson moved to approve Item 5 as read.

■ The Mayor closed the public hearing.

■ Council Member Davidson moved to approve Item 5 and Council Member St. Germain seconded the motion. The vote was unanimous. **Motion Passed.**

6. **SPECIAL EVENT LIQUOR LICENSE PUBLIC HEARING - Conduct hearing and consider recommending approval of a Special Event Liquor License for the VFW Post 769, located at 305 N. Central Blvd., Quartzsite, AZ, with the special event set to occur on April 4, 2015.**

■ Dennis Dole stated Budweiser would be attending the special event.

■ The Mayor closed the public hearing.

■ Vice Mayor Simpson moved to approve a Special Event Liquor License for VFW Post 769 and Council Member Kelley seconded the motion. The vote was unanimous. **Motion Passed.**

ADMINISTRATIVE ITEMS:

7. **ANNUAL FINANCIAL STATEMENTS - Consider acceptance of the Annual Financial Statements and Independent Auditors' Report for Fiscal Year 2013-2014.**

■ **Council Member Kelley moved** to accept the auditors' report and **Council Member Warner seconded** the motion. The vote was unanimous. **Motion Passed.**

8. **TOWN CODE AMENDMENT – MAYOR'S POWERS – Consideration, discussion and possible adoption of an ordinance amending Chapter 2, Article 2-2 Mayor, of the Town Code restoring certain powers of the Mayor and failure to perform duties.**

■ Town Manager Miller stated the next series of amendments are based on the Council's comments to staff and to the Town's legal team.

■ Town Attorney Goodwin advised that Item 8 is about repealing the provisions of Ordinance 11-10 that was adopted and restoring the Mayor's powers.

■ **Vice Mayor Simpson moved** to approve (here the Vice Mayor read the title of the ordinance aloud): AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUARTZSITE, ARIZONA, AMENDING THE CODE OF QUARTZSITE, ARIZONA, CHAPTER 2 MAYOR AND COUNCIL, ARTICLE 2-2 MAYOR BY AMENDING SECTION 2-2-4 POWERS AND DUTIES OF THE MAYOR; AMENDING SECTION 2-2-6 FAILURE TO SIGN DOCUMENTS; AMENDING SECTION 2-2-7 LOCAL EMERGENCIES, RELATED TO RESTORING CERTAIN POWERS OF THE MAYOR AND FAILURE TO PERFORM DUTIES; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR SEVERABILITY.

■ **Council Member Davidson seconded the motion.** The vote was six ayes and one nay vote from Council Member Orgeron. **Motion Passed.**

9. **TOWN COUNCIL PROCEDURE AMENDMENT – Consideration, discussion and possible adoption of an ordinance amending the Quartzsite Town Council Procedure and Legal and Ethical Standards of Conduct Manual related to the Mayor's duties and powers to make and second motions per request of the Town Council and conforming changes relating to the Mayor's powers.**

■ **Vice Mayor Simpson moved** to adopt Ordinance No. 15-02 (here the Vice Mayor read the title of the ordinance aloud): AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUARTZSITE, ARIZONA, AMENDING ORDINANCE NO. 09-29 AMENDING THE QUARTZSITE TOWN COUNCIL

PROCEDURE AND LEGAL AND ETHICAL STANDARDS OF CONDUCT MANUAL TO REPEAL SECTION 1, PARAGRAPH 9 RELATED TO THE MAYOR'S DUTIES AND RESPONSIBILITIES; FURTHER REPEALING SECTION IV, PARAGRAPH 1 RELATED TO THE SELECTION OF A CHAIR FOR COUNCIL MEETINGS AND POWER TO MAKE AND SECOND MOTIONS AND TO PARTICIPATE IN DEBATE; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR SEVERABILITY.

■ **Council Member Davidson seconded** the motion. The vote was six ayes and one nay vote from Council Member Orgeron. **Motion Passed.**

10. TOWN CODE AMENDMENT - AGGRESSIVE SOLICITATION – Consideration, discussion and possible adoption of an ordinance amending Chapter 11 Offenses of the Town Code regulating aggressive solicitation in specified locations and manners.

■ The Mayor advised that this is a new policy for the Town.

■ Town Attorney Goodwin stated the ordinance defines aggressive solicitation and prohibits behavior by panhandlers who cause a reasonable person to fear for his safety or his property. She explained the First Amendment gives a person the right to approach and ask someone for money; but, intimidating behavior is not protected by the First Amendment.

Council Member Warner asked what kind of enforcement there is for this ordinance.

■ There was discussion of First Amendment rights, trespassing, and other municipalities' methods of dealing with panhandling.

■ **Vice Mayor Simpson moved** (here the Vice Mayor read the title of the ordinance aloud): AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUARTZSITE, ARIZONA, AMENDING THE CODE OF QUARTZSITE, ARIZONA, CHAPTER 11 OFFENSES, BY ADDING NEW ARTICLE 11-7 AGGRESSIVE SOLICITATION RELATED TO REGULATING AGGRESSIVE SOLICITATION IN SPECIFIED LOCATIONS AND MANNERS; SETTING FORTH DEFINITIONS; SETTING FORTH PROHIBITED ACTS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR SEVERABILITY; AND PROVIDING PENALTIES.

■ **Council Member Warner seconded** the motion. The vote was unanimous. **Motion Passed.**

11. 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 is the subject of negotiations.

This item was tabled until the March 10, 2015 Council meeting.

Vice Mayor Simpson moved to adjourn Items 11 and 12 and Council Member Davidson seconded the motion. The vote was unanimous. **Motion Passed.**

12. **CONTRACT AMENDMENT - SUNEDISON ORIGINATION1, LLC - Consideration, discussion and possible approval of an amendment to the Power Purchase Agreement for Wastewater Project with SunEdison Origination1, LLC.**

This item was tabled until the March 10, 2015 Council meeting.

COMMUNICATIONS:

13. **Reports from the MAYOR on current events.**

The Mayor invited everyone that wanted to fill out a trail comment form, to do so at the Town Hall.

The Mayor announced that he will not be attending the next meeting as he will be out of Town.

14. **Reports from the COUNCIL on current events.**

None

15. **Reports from the TOWN MANAGER to the Council.**

Town Manager Miller reported that Chief Renfro has completed a hiring process and is ready to bring on new officers to fill the openings. Town Manager Miller noted the new officers will reduce the overtime that the current officers must incur.

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

ADJOURNMENT: 8:20 p.m.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of February 24, 2015, of the Town Council of Quartzsite, Arizona, held on February 24, 2015.

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

DATED this 10th day of March 2015

Tina M. Abriani, Town Clerk

On behalf of the Common Council

Approved:

Ed Foster, Mayor

DRAFT