

TUSAYAN REGULAR TOWN COUNCIL MEETING

Wednesday, January 19, 2011, 6:00 p.m.
Best Western Squire Inn, Zuni Conference Room
74 State Route 64, Tusayan

MINUTES OF TOWN COUNCIL MEETING

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bryan called the meeting to order at 6:00 p.m. and the Pledge of Allegiance was recited.

2. ROLL CALL

Present were Mayor Greg Bryan, Vice Mayor Cecily Maniaci, Council Member Bob Blasi, Council Member Al Montoya, and Council Member John Rueter. Also present were Cynthia Seelhammer, Interim Town Manager, and Pam Parsons, Town Clerk.

Mayor Bryan asked for a moment of silence to remember the lives affected by the tragedy in Tucson the previous week.

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

Gary Martinson, Western Discovery Museum, Scottsdale Arizona gave a brief update regarding the museum in Tusayan. At this time, the museum is closed and the owners are discussing different future uses.

4. CEREMONIAL AND INFORMATIONAL MATTERS

George Wallace and John Harper from the Arizona Department of Transportation (ADOT) in Flagstaff Arizona presented PowerPoint slides on the planned enhancements to State Route 64 through Tusayan (Attachment "A"). Mr. Wallace briefly explained the design and timeframe of the project. He expects construction to begin in April 2011 or when the last snow melts. Landscaping work and street striping might possibly go into 2012. ADOT will have law enforcement control traffic on S.R. 64 through town during the project, and there will always be access through Town and to businesses. Mayor Bryan asked that a presentation on the project be scheduled for the whole community to be able to hear about the plans, once the contract is finalized.

5. CONSENT AGENDA

A. Consideration and possible approval of Previous Meeting Minutes

- i. December 15, 2010
- ii. January 5, 2011

B. Consideration and possible approval of Administrative/Treasurer's Report

- a. Acceptance of the Finance Report
 - b. Approval of the Payment of Bills
- } (Attachment "B")

Council Member Montoya moved and Council Member Rueter seconded the motion to approve the Consent Calendar as presented. The motion passed unanimously.

6. COMMITTEE REPORTS

Ad Hoc Housing Committee – John Dillon, Chairperson, reported that a meeting was held last night, January 18 and a quorum of 6 members were present as well as Council Member Blasi, Council Member Montoya, and Town Manager Seelhammer. Also, five members of the community attended. Mr. Dillon explained that there have been members who have resigned due to moving or not being able to attend. Ms. Seelhammer has posted applications. Committee Members have spread the news of the empty seats by word of mouth, and by email. Seelhammer is collecting the applications and will update the Council as to the progress. Mr. Dillon reported that one of the recommendations from the Committee is that perhaps the Council would consider

reducing the number of members to seven and the quorum to a majority which is four. However, if there are more applicants interested they could fill in as needed and willing.

Dillon reported that the six members that attended the meeting unanimously agreed that a Housing Study is necessary. Mr. Dillon also stated that the committee felt that the Study should be performed by a professional firm or individual. There was some concern with costs and discussion about whether the Council should consider sharing those costs to interested parties that want to develop in Tusayan.

The Committee reviewed and discussed the previous Housing Study Request for Proposals (RFP) that was produced by the past Council and Legal Counsel. They recommend changes to enhance the Scope of Work and be less vague. They believe that additional vital information needs to be studied. Ms. Seelhammer has the notes and will be submitting a copy to the Council Members to review. Mr. Dillon further stated that the committee then reviewed and discussed the previous three proposals that were submitted from the last Housing Study RFP. After reviewing and comparing, the Committee ultimately placed Kuel Enterprises LLC at the top. The Committees recommendation to the Council would be to consider Kuel Enterprises for the Housing Study.

Town Manager Seelhammer stated that there was a sense of urgency from the committee and they would be happy in taking the Councils direction in revising the RFP and contacting professional service vendors.

Council comments – would like to see the suggested changes to the Scope of Work.

7. PUBLIC HEARINGS

No public hearings scheduled.

8. ITEMS FOR ACTION

A. Report by Bill Sutton on investigation of starting a Tusayan Municipal Court and options for law enforcement – discussion and possible action

Judge Sutton submitted his December Report to the Council (Attachment “C”). He stated that he had visited Fredonia Arizona for a few days because it is a town similar to that of Tusayan. It is in Coconino County and has a major highway through the town.

Judge Sutton believes that the Council might be able to save some money, as much as \$100,000 a year, from its public safety costs. This means either reducing the cost for the Sheriff’s contract, or starting Tusayan’s own law enforcement at a lesser cost. Next step is to track what the current law enforcement produces case-load wise for at least for two or three months. Then look at the feasibility of starting a court, understanding that without the revenue to support it, a court would not be feasible. The downside would be that the Town would lose the revenue from citations for those months, but the benefit is that the Town wouldn’t have to pay out the expense for a court for those months.

Judge Sutton will submit a written report of what his findings were to Town Manager Seelhammer which she will pass on to the Council.

Council Comments – Get from ADOT per month on citations; in-town law enforcement would be far more beneficial for Tusayan

Mayor Bryan asked Town Manager Seelhammer to work with Judge Sutton to review the contract for areas that possibly could be discussable and/or negotiable and present the Council with thoughts and comments.

B. Purchase of a modular for use as a Town Hall – discussion and possible action

Town Manager Seelhammer stated that Council member Blasi and Rueter assisted her a great deal with reviewing the three vendors from the Mohave Cooperative and evaluating options.

(Attachment “D”). Council Member Blasi spoke to all three vendors off the Procurement list and after consideration, he recommended choosing TrowTiere as the vendor to design and construct the Town Hall modular. Council Member Rueter visited the TrowTiere offices last Friday.

Council Member Blasi briefly summarized his discussions with the three different vendors. He approached each vendor as a customer himself. He felt that only TrowTiere was treating him as a customer and willing to help

Council Member Rueter briefly stated that he met with Pete Trowbridge, Principal of the Company, and was shown many pictures and plans of projects that they had completed, and it was evident to him that TrowTiere is professional and felt in good hands with that company. TrowTiere is interested in working with the Council and he felt they would be easy to work with. Council Member Rueter mentioned that obtaining a building that has a 40# snow load is now a 36 foot, triple-wide modular and investing more than the Council originally expected. But the Town is getting a much better building than first discussed. The modular can be manufactured in approximately ten weeks, start to finish. He stated that he thought the project would cost approximately \$265,000 with site prep, engineering, etc. This modular should last the Town 20+ years, although the use might change, and it will probably be moved at least once. Council Member Rueter recommends that the Council decide on a final floor plan and authorize the Town Manager to negotiate with TrowTiere a final quote per the Mohave Cooperative’s procurement.

Council Member Rueter mentioned that the Council will need a site plan. Also, included in his \$265,000 estimate is at least two handicapped paved parking spaces and a sidewalk around the majority of the building. The log siding is also included in the cost. He feels it will be a building that the Town can be proud of and be put to use for many years.

Council Blasi moved and Council Member Rueter seconded the motion to approve authorizing staff to negotiate the contract with TrowTiere for design, construction, and installation of a modular Town Hall, and approve the Service Agreement with Woodson Engineering for site planning, engineering design, and general coordination, not to exceed \$19,800.

The Mayor recognized Rick Schueller, Associate Principal and Project Manager with Woodson Engineering, Flagstaff Arizona. Mr. Schueller explained to Council why the contract was prepared the way it was. Council discussed the high cost for engineering and their desire to reduce the not-to-exceed amount until more specific costs could be identified.

Council Blasi amended his original motion, to read: approve authorizing staff to negotiate the contract with TrowTiere for design, construction, and installation of a modular Town Hall, and approve the Service Agreement with Woodson Engineering for site planning, engineering design, and general coordination, not to exceed \$10,000. Council Member Rueter agreed to amend his second. Council approved the motion unanimously.

C. Options for conducting a branding study – discussion and possible action

Town Manager Seelhammer explained that at prior meetings, when discussing the creation of a Town logo, the director of the Tusayan Chamber and Visitors’ Bureau suggested that starting with a branding study might be a better first step. The Chamber is planning to do a branding study and suggested that the Town partner with them on the branding study.

Norman Hannah, executive director of the Chamber, spoke to the Council saying that his board had discussed the issue this morning. The study will include surveys of stakeholders asking about image of Tusayan and vision for the community. (Attachment “E”). A web-based survey and focus groups would follow. He identified a consultant who will do the branding study for \$7,000 and the Chamber board wondered if the Town might be willing to pay for the entire cost, using the director’s time as an in-kind match for their share of the costs.

Council discussed how the consultant was chosen, sharing the cost with the Chamber, and approaching businesses to share the cost.

Mayor Bryan moved, and Council Member Rueter seconded the motion that the Town approve up to \$3,500 to pay for half of the cost of a branding study by the Tusayan Chamber as outlined in the proposal from AZ Communications Group. Motion passed unanimously.

D. Contract for starting a Town website – discussion and possible action

Town Manager Seelhammer presented the proposal by UnderSubtone Graphic Design, the website designer who prepared the Town of Williams website (Attachment “F”)

Council discussed a deadline, and the desire to have the work completed within 30 days.

Council Member Blasi moved and Council Member Rueter seconded the motion to approve the attached proposal with UnderSubtone Graphic Design, cost not to exceed \$3,300, work to be completed within 30 days. Motion passed unanimously.

E. Contract for snow removal from Town sidewalks – discussion and possible action

Town Manager Seelhammer reviewed past discussion on snow removal from sidewalks along SR 64, and the Council’s previous approval of up to \$10,000 for snow removal, and authorizing the Town Manager or Mayor to arrange for snow removal when necessary. She presented the proposal from RobbCo (Attachment “G”).

Council discussed how the contractor made his calculations; the two options provided by the contractor; concern about committing \$6,000 at this late date since it is unlikely that there will be six more snow events this year; a contract versus an on-call per-event charge; where snow would be piled or blown as sidewalks are cleared; and the existing authority for Mayor and Manager to expend the \$10,000 in a snow event. Council discussed the fact that there is no need to decide anything at this time.

F. Method of payment for production of meeting minutes until contract Clerk is hired – discussion and possible action

Town Manager Seelhammer presented a staff report suggesting payment of \$75 per meeting for preparation of Council Meeting minutes, until a contract Town Clerk is hired.

Vice Mayor Maniaci moved and Council Member Blasi seconded payment of \$75 per meeting for the work to complete the minutes for each Council Meeting, starting payment with tonight’s meeting. The Mayor announced that he would abstain due to the fact that Pam Parsons, the Town Clerk, is his employee. Motion passed 4-0 with Mayor abstaining.

G. Establishment of a Town Street Lighting Improvement District (SLID) – discussion and possible action

Town Manager Seelhammer presented the staff report, explaining that a SLID set up by the County already exists and is located 300 feet on both sides of SR 64. The SLID collects a property tax that is used to pay for the electricity for the street lights along the highway, which costs between \$1,200 and \$1,500 per month. The question is what should be done now that the Town has incorporated. The County would prefer to end the SLID since it is their one and only in the County. The current SLID has a balance of about \$60,000.

Options for the Town include setting up a Town SLID identical in size of the existing SLID; The Town setting up a larger SLID, expand the size to cover more properties so that additional street lighting could be added in other areas; or eliminate the SLID and arrange for the Town to pay the

monthly electricity bill for the streetlights from the Town's general fund. The Town has limited resources and most of its revenues come from sales tax. From a town management perspective, it is good to have different sources of revenue, and not rely on just one source of funding.

At the previous meeting, the Council had asked that the Manager contact property owners to gather their thoughts about a new SLID or an expanded SLID. Manager Seelhammer reported that those she contacted were divided in their opinions, some willing to support a SLID if the cost of the property tax did not change, and others wishing to end the SLID because they are opposed to any property tax.

Mayor Bryan reviewed the options. Council discussion included a petition process to set up a Town SLID, the additional cost to the Town to take on the responsibility of paying for electricity without the SLID, use of SLID funds on public rights-of-way only, and what happens to the \$60,000 balance in the SLID if the Town does not create its own SLID to which the County could transfer the funds.

Council directed the Town Manager to discover if there is any other method for the Town to arrange for the \$60,000 balance in the County SLID if no new SLID is created.

H. ACC Procedural Hearing regarding water service in Tusayan – discussion and possible action

Council Member Rueter stated that due to a conflict due to his position at Hydro Resources Inc, he would recuse himself and not participate in discussion or decision making on this issue. He then left the Council table at 8:33 p.m.

Town Manager Seelhammer presented the staff report by George Pettit, reviewing the unsolicited letter from Hydro Resources Inc on Dec. 12, 2010 telling the Town of their willingness to discuss sale to the Town and suggesting the Town consider becoming a municipal water provider. In addition, the Council needs to decide whether or not the Town would become an official intervener with the Arizona Corporation Commission (ACC) in regard to the matters affecting Tusayan water companies. The ACC needs to know an answer to this question by January 20.

The other issue, whether or not the Town should enter the water utility business, requires a considerable amount of research as to what infrastructure exists, the value of that infrastructure, how the Town might finance acquisition, and whether or not the Town voters want the Town to become a water utility.

Vice Mayor Maniaci moved and Blasi seconded a motion that the Town of Tusayan become a formal intervener in the Tusayan Water cases with the ACC as the community interests need to be monitored and protected. Motion passed 4-0.

Mayor Bryan explained the need to hire professional help to evaluate the water infrastructure that the Town might want to acquire. Manager Seelhammer explained that the study would analyze the costs and determine a fair price, and the methods of financing, providing the information that the Council would need to decide by May 30 whether or not to ask the voters in August a ballot question as to whether or not the Town should become a utility.

Council discussion was in regard to the high price for the study, the need to know the reality of the water situation, the benefit of the Town controlling water resources, and the need for stable and fair rates.

Council Member Blasi moved and Council Member Montoya seconded a motion that council authorize staff to identify and contract for the necessary technical, legal and financial analysis

investigating the municipalization of the water system, cost not to exceed \$50,000. Motion passed 4-0.

Council Member Rueter returned to the Council table at 8:48 p.m.

I. Provision of planning services in connection with the proposal for the development agreement by the StiloGroup – discussion and possible action

Town Manager Seelhammer presented the staff report by Tim Pickering in regard to planning services to assist the Town in negotiating a development agreement with Grady Gammage for StiloGroup, a property owner in Tusayan. Grady Gammage sent a letter to the Town on December 31 asking to begin discussions with staff on a potential development agreement. In order to best protect the interests of the Town, a professional planner's services are needed as part of the Town's negotiating team. The cost for this service can be reimbursed by the developer.

Tim Pickering evaluated planners and planning services and is recommending that the Town contract with LVA Urban Design Studio, cost not to exceed \$5,000. (Attachment "H")

Council discussion was in regard to the need for this service, how LVA was chosen, that all decision making will be done in public by the Council.

Clarinda Vail, 120 Shimmy Lane, asked why one company was chosen and whether or not an RFP was required. Manager Seelhammer explained that an RFP is not needed for selection of professional services.

Arron Hall, 702 N. Beaver, Flagstaff, attorney representing Red Feather Properties, suggested that in the future the agenda list staff report titles and contain more detail.

Vice Mayor Maniaci moved and Council Member Montoya seconded that the Council approve the attached contract with LVA Urban Design Studio LLC, not to exceed \$5,000. Motion passed unanimously.

J. Establishment of an interest-bearing savings account with Chase Bank – discussion and possible action

Town Manager Seelhammer reviewed the history of the Town's accounts with Chase and the need to review how the Town's money is insured for amounts over \$250,000. The Town's funds are now in a non-interest bearing checking account. Representatives of Chase did meet with the Town and provided information about the interest-bearing accounts.

Discussion was about liquidity, interest rates, how best to keep the money safe, FDIC guarantees, how Chase was chosen, and what other cities and towns do with their funds.

Council Member Blasi moved and Vice Mayor Maniaci seconded a motion to approve setting up an interest-bearing savings account with Chase. Motion passed unanimously.

K. Rescission of Ordinance No. 2010-09-08-01 – Council may wish to rescind the Ordinance creating the Planning and Zoning Commission that was adopted on September 8, 2010.

Town Manager Seelhammer presented the staff report explaining that the Ordinance adopted to set up the Town Planning and Zoning Commission in September 2010 differs from those used by most cities and towns. The Ordinance that Tusayan adopted included use of an unusual method of selecting Commission Members: each of the five Council Members was to name a commission member, and place a name in a hat. Two names would be selected by lot, drawn from the hat to fill the final two seats of the commission.

The Town Attorney had concerns about this use of a random method of chance being used to fill seats, believing that Council Members have an obligation to consider the qualifications of potential commissioners and use that information to appoint a well-balanced commission to best represent the Town. Neither the Town Attorney nor the Town Manager is aware of any other community that chooses Planning and Zoning Commissioners in this manner. They recommend that a qualification-based selection process be used to choose and appoint Planning and Zoning Commission.

In order to change the selection method that the Town of Tusayan will use to appoint the Planning and Zoning Commission, it would be necessary for the Council to rescind the Ordinance that established the Planning and Zoning Commission. To establish a new method of appointing a Commission, the Council will need to consider adoption of a new, revised Ordinance.

Clarinda Vail stated that Coconino County uses a drawing-names-from-the-hat method. She believes that the two named by previous council members are qualified and were appointed.

Discussion included rescinding the ordinance nullifies the names submitted for appointment by the previous Council; the desire to have a criteria-based selection process with an application and interviews.

Council Member Rueter moved and Council Member Montoya seconded a motion to rescind Ordinance 2010-09-08-01 and direct staff to bring back an alternative ordinance that includes a method of selecting commissioners that more resembles that used by other Arizona cities and towns. Motion passed unanimously.

9. ITEMS FOR DISCUSSION

A. Town Manager's Report

- a. Council Members Training Modules update – Manager Seelhammer reported that workshops will be planned for Thursday mornings and the one on Planning is in the works, and might occur as soon as Thursday, Jan 27. Another training workshop should be planned on the midyear budget.
- b. Update on Proposition 203 – The State Department of Health Services is taking comments on its rules and this can be found at their website.
- c. Update on recruitments: Town Manager, Town Attorney, Town Clerk, Town Bookkeeper/Treasurer

Town Manager Seelhammer reported that the League of Cities has collected more than 60 applications for Town Manager and the recruitment will be open for another two days. Advertising for the Clerk and Bookkeeper positions appeared in the new papers this week and will be open for two more weeks. There are three qualified applicants for Town Attorney services. The Mayor and Council Member Rueter offered to assist with review of the applications.

B. Set Agenda and Action Items for next meeting

Research undergrounding ordinances; mail delivery options; housing committee member numbers and quorum change; modular unit update; March 16 council meeting moved to March 23; update on possible development agreement; update on branding from the Chamber Visitors Bureau; update on town website; SLID; update on the ACC and analysis on possible water utility.

10. MOTION TO ADJOURN INTO EXECUTIVE SESSION

Council Member Montoya moved and Vice-Mayor Maniaci seconded to adjourn the regular Council Meeting and go into Executive Session at 9:25 p.m.

Mayor Bryan called the Executive Session to order at 9:30 p.m.

- A.** The issuance of CUP to the South Grand Canyon Sanitary District

B. The negotiation of a development agreement with the StiloGroup

Council Member Rueter excused himself at 9:57 p.m. due to a conflict of interest because of his position with Hydro Resources.

C. Acquisition of water system by Town

Council Member Rueter returned to the Council Chambers into Executive Session at 10:06 p.m.

Council Member Rueter moved and Vice-Mayor Maniaci seconded the motion to adjourn the Executive Session and return to the Regular Council Meeting at 10:07 p.m.

11. ADJOURNMENT

Vice-Mayor Maniaci moved and Council Member Blasi seconded a motion to adjourn the Regular Council Meeting at 10:07 p.m. Motion passed unanimously.

Respectfully submitted,

Dated: _____

Pam Parsons, Town Clerk

Council member Bob Blasi

Mayor Greg Bryan

Council member Al Montoya

Vice Mayor Cecily Maniaci

Council member John Rueter