

Springerville Town Council
Special Meeting Minutes
February 3, 2020
6:00 p.m.

Council Present: Phil Hanson, Jr., Mayor
Robert MacKenzie, Vice Mayor
Ruben Llamas, Councilmember
Shelly Reidhead, Councilmember

Not Present: Richard Davis, Councilmember

Staff: Joseph Jarvis, Town Manager
Kelsi Miller, Town Clerk
Heidi Wink, Finance Director
Tim Rasmussen, Public Works/Community Dev. Director
Max Sadler, Fire Chief
Robert Pena, Assistant Fire Chief

Public Donald Scott, Anthony Contreras

Mayor Hanson called the meeting to order at 6:00 p.m. with the Town Clerk completing a roll call, a quorum is present.

1. Public Participation: Anthony Contreras addressed the council and let them know that there is an opportunity with HGTV that they may be interested in applying for either personally or on behalf of the Town for a main street beautification project. The show goes to a small town with history, tradition, and community that needs freshening up. He invited any and everyone to take pictures of our main street and get our name out there for a possible project.

2. Council, Manager and Staff Reports: Chief Sadler updated council on trainings that the fire department is participating in. He let them know that himself and Assistant Chief Pena are also inviting other fire departments to come to our town and train with us, specifically with wildland trainings. Manager Jarvis updated staff on the meeting Police Chief Nuttall had with the Mexican Consulates out of the Phoenix office. He let them know that we are not a sanctuary city, we will follow federal immigration laws. They also spoke of how we can help each other for the 2020 Census. Manager Jarvis also asked Council to look at their schedules for the week of February 24th and see what date works best for them to schedule a joint meeting with the Town of Eagar Council. The proposed topics for this meeting will be the fire dept, police dept, the Chamber, and the fourth of July parade, he welcomed any other topics they would like to meet about. This was a meeting they had supported/ requested at the January meeting. Lastly, he let them know that with the help of Mayor Hanson he met with local artist John Wilhelm. They talked about the statues that he used to display on Town property. The Town would love to display them again, but John had some questions about liability if someone was to get hurt on them, or if they get damaged. Manager Jarvis will seek legal council on these questions.

3. Consent Items:

- a. Consider adoption of Resolution 2020-R002 supporting pending legislation for absentee landlords of vacant and abandoned buildings
- b. Consider entering into an Airport Hangar Ground Lease with JTJ Holdings, LLC
- c. Consider approval of Contract for Town Prosecutor with Devin Brown

Robert MacKenzie/ Shelly Reidhead motion to approve consent items 3a, 3b, and 3c as presented.

Vote:	Ayes:	Phil Hanson Robert MacKenzie Ruben Llamas Shelly Reidhead
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4. Capital Improvement Plan: Manager Jarvis invited Tim Rasmussen to join him at the front to discuss the Capital improvement plans for water, wastewater, and streets. Manager Jarvis said he believes one of the most important roles a municipality has is maintaining our infrastructure, specifically water, wastewater, and streets. This is why it is important to put together plans to maintain and improve these infrastructures, all while being able to afford them. He told them we have an engineering contract with Painted Sky Engineering to assist us with coming up with our CIP. Painted Sky was formerly Tetra Tech, they know our water and wastewater system. He supplied council and interested public with a handout that highlights the areas where the Town needs to make improvements on water and wastewater, with cost estimates associated with the projects. He told them sewer does not have a fund balance, it borrowed money from the water fund previously, so if it has any money left at the end of the year that money is given back to the water fund. Tim explained to the council the importance of well meters and lift station flow meters to become more efficient. He also said that our wastewater pumps have a lot more to pump when we have snow and rain. It also causes issues with manholes. Manager Jarvis said the proposal in front of them address all of these major issues. He also said that we would like to plan for an additional five hundred thousand dollars for unforeseeable issues as we start to rehab the wells such as casings and pumps being past their lifespan. Councilmember Reidhead asked if the projects have been prioritized and Tim said we would look at doing one well rehab a year. Manager Jarvis said that line replacements will have to coincide with the streets CIP. The older clay lines in town will also be prioritized. They said the main focus right now is not what specific project to start on but rather how to fund it.

Manager Jarvis wanted to discuss funding options. One option for consideration is saving money each year and setting it aside until we have enough to fund a project, another option is talking to WIFA about funding these projects. He let them know WIFA is very interested in funding for Towns, they are specifically designed to help water companies such as ours. WIFA is federally funded, they must loan and receive payments in return to be a successful program. Their success is their incentive to help us, in return they offer us incentives to loan with them. One incentive is the possibility of forgivable principal. The forgivable amount is based on certain criteria, we currently fall within the realm of \$250k forgivable principal. The council supports the idea of going to WIFA after they finalize the CIP. Tim wanted to add that our last WIFA loan was \$1.8 Million and they forgave roughly \$500k. They do understand that Manager Jarvis will probably need to visit with Dan Jackson regarding another rate study as well. In the event we must raise rates it does not mean we have to raise them all at once. Ruben pointed out that we have higher rates and wanted to know where the money is going. Councilman Llamas asked what the interest rate for a WIFA loan is and Heidi let him know that our last one was 2.54 percent. He also wanted to point out that we do not take out a large loan at one time, we submit reimbursements in stages and they only charge interest at that point. Shelly asked if the last WIFA loan was paid off and Joe let her know that it is not paid off yet. She asked when we do make our WIFA payments what funds do they come out of? He let her know water/ wastewater funds Town has enough to cover those payments in those funds, but would probably need additional money from somewhere else to cover a new loan payment. Manager Jarvis let them know the fund balances for the general fund, water fund, and hurf as well as last years actual amount spent in each fund. If this year is the same there could potentially be 700k left in general fun, 500k left in water, and 700 left in hurf for funding projects. He and finance director Heidi both agreed they wish to keep 1 years' worth of expenditures in each fund, it is safe and conservative amount to leave in each fund. The council agrees that they want to keep at least 1 year's annual expenses in there.

Ruben wants us to really focus this budget season to see where we can save some money to put towards these projects.

Manager Jarvis then wanted to talk about funding for the streets CIP. He supplied council with the amounts estimated for the projects. He said if we used the \$700k fund balance (after 1 year's expenses) in the general fund and save as we go along with continuous efforts to secure grants, we would be able to get the four street projects on the CIP completed. Robert Mackenzie asked what we would prioritize first out of the four roads, manager Jarvis said it would be Pima first then the following year Hualapai/ Sheldon area. Mr. Jarvis said that he thinks that Tumbling T would qualify for the NACOG grant that is \$600k. Shelly Reidhead talked about the leftover hurf money and the availability of it. Joe let her know that this past year we did get additional revenues to go towards hurf, and there is definitely the potential to get additional funds in the future. With this plan hurf will need to plan on cutting their budget by \$75k each year.

5. BWS Architect Report for Public Safety Building: Manager Jarvis thanked Mr. Contreras for attending the meeting and pointed out that he designed the back portion of the proposal. The front half was BWS. According to the report to renovate the existing Becker building the cost would be around \$2.2 Million and to build a completely new building to fit their needs the cost would be around \$3.2 million. The Town has completed the first phase of this project by getting these reports done. Now it is time to choose phase two. Manager Jarvis asked where they would like to go from there, meaning do they want to sit on it and do nothing right now or does the council want to begin the process of improving the property. The council agreed they are ready to improve the property. The next question is, does the council want to pay as we go on the improvements or does the council want to finance the improvements? Councilman Mackenzie asked if we currently have a USDA loan for the building, can we get another USDA loan for improvements to the building. Manager Jarvis said it is up to USDA. All councilmembers agreed they want us to try to look at some grant options. Chief Sadler is concerned that if we pay as we go and fix a little here and there that we would in the long run it will waste money on an old building that will still be an old building. He wanted to see if they would be interested in building a new metal building at the Becker location for the fire department and then rehabbing an area of the existing building for a community center and the bays for the fire trucks. This way they can be out of the old location where the Town can start the process of finding a buyer, once that building sells then they can use some of those funds to put towards the old Becker building renovations. Shelly asked if the Becker building was deemed historical, it is not. Mr. Jarvis asked the council if they want to move forward improving the Becker building or would they rather use money to improve the current fire department. They all agreed they want the Town to move forward with improving the building. Manager Jarvis said there are many ways we can make this a great public safety location. Councilwoman Reidhead likes the idea of salvaging the facade of the building and possibly starting over on the back portion. Manager Jarvis asked if the council wants him to search for new ideas. The Town can ask BWS Architects if they are interested in supplying us with some other options, and if they are not that is okay, we can solicit for a firm to help us develop new options. There is some discussion that if we take the building down to build a new one that we will have to pay off the USDA loan, Heidi and Mr. Jarvis will research and speak with our grant administrator on these details. Councilmember Llamas would also like to meet with the two Chiefs and see what they want to do. He also voiced that all of these projects sound great, but to him he is seeing a lot of debt. He wants to see the finances as does Councilwoman Reidhead. They want to see the revenues and how the revenues will pay for these debts. The council asked Chief Sadler if they want to move into a new building. Chief Sadler said they would love to move to a new building but he wants to be realistic about it. He does not want to have a \$3 Million building if we can't afford to get the tax payers better roads and improve the water and wastewater infrastructure for the community, but he is confident that we can make this work.

6. Tree City Application: Robert MacKenzie/ Shelly Reidhead motion to apply to become a member of Tree City USA.

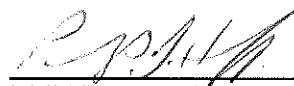
Discussion: Manager Jarvis gave a brief description of what being a Tree City means and that many of our sister cities are also part of this program. He said a Councilmember came to him wanting the Town to consider becoming a member so that is why it is on the agenda. Mayor Hanson wanted to advocate for it and show we are conscience of the environment. One of the standards for this program is designating roughly \$4,000 each year to go to a tree program. Councilmembers wanted to make sure that if we add additional trees that we will be able maintain them. Councilmember Reidhead likes the idea of cutting down some of the elm trees and planting new trees that would beautify the Town. Anthony Contreras asked Mayor Hanson if he could comment on the subject. Mayor Hanson agreed. Mr. Contreras said that with valid efforts it is possible to make an elm tree beautiful. Manager Jarvis said that the Town already budges to take care of and plant new tree's, we will do some research and see if we are already meeting the criteria.

Vote:	Ayes:	Phil Hanson Robert MacKenzie Ruben Llamas Shelly Reidhead
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7. Adjournment:

Robert MacKenzie/ Shelly Reidhead motion to adjourn the meeting at 7:45 p.m.

Vote:	Ayes:	Phil Hanson Robert MacKenzie Ruben Llamas Shelly Reidhead
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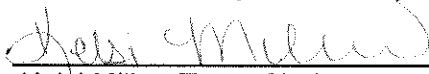
Phil Hanson, Jr., Mayor

ATTEST:



Kelsi Miller, Town Clerk

I hereby certify that the foregoing is a true and copy of the minutes of the Springerville Town Council in a special meeting session on Monday, February 3, 2020. I further certify that the meeting was duly called and a quorum was present.

Dated this 4th day of February, 2020


Kelsi Miller, Town Clerk

