

**MINUTES OF TOWN COUNCIL MEETING
TOWN OF SNOWFLAKE
HELD 2017/01/10**

1. CALL TO ORDER/ROLL CALL at 7:00 p.m.

Mayor Lynn Johnson, Vice Mayor Kerry Ballard, Allison Perkins, Stuart Hensley, Byron Lewis, Cory Johnson, Terril Kay STAFF: Brian Richards, Bob Hall, Barbara Flake, Katie Melser

2. PRAYER/PLEDGE Ballard/Perkins

3. PROCLAMATIONS & RECOGNITIONS None

4. CALL TO PUBLIC No Comments

5. CONSENT AGENDA

A. Approve Council minutes dated December 13, 2016.

B. Approve Accounts Payable for December 2016.

Motion by Ballard, 2nd by Kay to approve the Consent Agenda. Motion passed; unanimous

6. DISCUSSION/ACTION ITEMS

A. Consideration and Possible Approval of Resolution 2017-01 Golf Course Equipment Lease Agreement. (Brian Richards)

Richards stated that Council approve the purchase of the equipment at the previous meeting. He said 2 quotes were received for a lease agreement and National Bank offered the lowest interest at 2.6%. Mayor Johnson asked if staff explored lower prices for the equipment. Richards said savings was found on one piece of equipment and other savings were being explored. He said staff wants to purchase a chemical sprayer with the \$15,000 saved.

Motion by Johnson C, 2nd by Ballard, to approve Resolution 2017-01 Golf Course Equipment Lease Agreement. Motion passed; unanimous

B. Presentation and Discussion of Comprehensive Annual Financial Report and Annual Audit Report. (Brian Richards)

Richards stated that a clean audit report was received. He explained the trends and historical information showing that tax revenues in 2016 were more than in the previous 6 years. He said the Town collects 40% of 2% of Walmart sales tax, Town of Taylor collects 40% of 2%, and the developer, Kirk Brimhall, collects 20% of 2%. He said the Town has to pay \$300,000 to the developer before receiving sales tax payments. Attorney Bob Hall added that there is an agreement set up that the developer be paid back first. He said the sales tax agreement started when Walmart opened on March 6, 2016. Richards said he will increase the budget \$200,000 in sales tax. He said 2016 sales tax was 3% lower than the previous year possibly because Walmart opening hurt other businesses.

Richards stated the Public Safety Personnel Retirement System (PSPRS) is a big issue with the State and changes in state law have been made to deal with the problem of 45% underfunding of PSPRS. He said new standards for reporting require showing liability on financial statements. He

said the Town of Taylor's responsibility for their share of this liability needs to be included in a new IGA. He said state laws have been changed and committees are working to make this issue better. He said the Town's contribution to PSPRS for each employee has increased from 38% to 42% and employees contribute 11.65%. He said after July 2017 a whole new system will be in place for new hires. Mayor Johnson expressed appreciation for the work Richards has done.

C. Consideration and Possible Committee Assignments for Mayor and Council Members

Mayor Johnson read the vacant positions on various committees and stated the names of Council Members who expressed interest in serving in those vacancies as follows:

Community Values—Kerry Ballard, Brian Richards, Cory Johnson (alternate)

Heritage Foundation—Lynn Johnson

Historic Review—Terril Kay

NACOG Regional Council—Kerry Ballard, Byron Lewis (alternate)

REAL AZ Development Council—Brian Richards, Lynn Johnson

Navajo/Apache Counties Mayor & Council Association—Lynn Johnson & Council Members

Silver Creek Senior Center—Allison Perkins, Shirley Voutour

Snowflake Academy Foundation—vacant

Snowflake Economic Development Committee (EDC)—Kerry Ballard, Terril Kay

Snowflake/Taylor Chamber of Commerce—Allison Perkins, Byron Lewis (alternate)

Snowflake/Taylor Chamber of Commerce/Tourism—Allison Perkins

Fire/Ambulance Administration—Lynn Johnson, Kerry Ballard, Brian Richards, Terril Kay

Police Administration—Lynn Johnson, Kerry Ballard, Brian Richards

White Mountain Transit Authority—Cory Johnson

Motion by Ballard, 2nd by Kay, to approve assignments for representation on committees as stated. Motion passed; unanimous

E. EXECUTIVE SESSION: LEGAL ADVICE - ARS § 38-431.03(A)(3) PENDING OR CONTEMPLATED LITIGATION - ARS § 38-431.03(A)(4)

1. Adjudication of Water in the Little Colorado River System.

2. Legal Advice and Direction regarding the defendants' proposed form of judgment and attorney fee issue in Navajo County Superior Court, CV2016-00278 - Timothy J. Casey, Esq., Outside Counsel for the Town.

Motion by Lewis, 2nd by Kay to go into executive session. Motion passed; unanimous

Motion by Lewis, 2nd by Hensley to return to regular session. Motion passed; unanimous

F. Possible Direction to Staff regarding Adjudication of Water in the Little Colorado River System.

Motion by Johnson L, 2nd by Kay, to direct staff to seek other alternative solutions to Town's legal representations not limited to one but various options. Motion passed; unanimous

7. COUNCIL MEMBER REPORTS

Ballard expressed condolences to Byron Lewis for the passing of his father. He announced that Clarke Jones' mother also passed away.

Hensley said his business is doing well and that he needs to be there 100%. He said he has enjoyed being on the Council and has learned a lot. He said it is frustrating because he wants to do more and he is only half doing what he does. He stated that he is resigning.

Johnson L expressed appreciation to Hensley and his service to the community.

8. MANAGER REPORT

Richards said that a work session is being planned for next Tuesday.

9. ADJOURNMENT at 9:20 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the Town of Snowflake Council meeting held January 10, 2017. I further certify that the meeting was duly called and a quorum was present.

Barbara Flake, Town Clerk