

(These minutes are subject to approval and/or correction on January 5, 2006)

MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, HELD DECEMBER 15, 2005, AT 7:00 P.M. IN THE BLUE RIDGE JUNIOR HIGH MULTIPURPOSE ROOM.

Mayor Vicario called the regular meeting to order at 7:00 p.m. Roll call was taken as follows:

<u>ROLL CALL:</u>	<u>Present</u>	<u>Absent</u>		<u>Present</u>	<u>Absent</u>
Mayor Larry Vicario	<u>X</u>	<u>    </u>	Lon Hoffman	<u>X</u>	<u>    </u>
Vice Mayor Chuck Waldo	<u>X</u>	<u>    </u>	Luke Smith	<u>X</u>	<u>    </u>
Ginny Handorf	<u>    </u>	<u>X</u>	Barbara Teague	<u>X</u>	<u>    </u>
Christopher Kengla	<u>X</u>	<u>    </u>			

STAFF PRESENT:

Kelly Udall, Town Manager; Lu Anne Frost, Town Clerk; Donna Stanley, Deputy Town Clerk; Kent Brooksby, Finance Director; Sherwood Eldredge, Police Chief; Paul Esparza, Community Development Director; Tom Thomas, Public Facilities Director; Vicki Duraine, Library Director; John Vuolo, Parks and Recreation Director; and Jack Barker, Town Attorney.

ITEM NO. 2, PLEDGE OF ALLEGIANCE AND PRAYER:

The Pledge of Allegiance was said, followed with a prayer by Councilman Kengla.

ITEM NO. 3, PUBLIC PARTICIPATION:

Mayor Vicario explained the rules for public participation.

Kathryn McClellan asked if they are working on an evacuation route on Rim Road. Mayor Vicario said just recently they had a joint meeting with the White Mountain Apache Tribe and discussed Rim Road. He suggested she contact the Town Manager for further information.

ITEM NO. 4, CONSENT AGENDA:

The consent agenda consisted of the Minutes of the Special Meetings of November 9, 2005, and November 28, 2005, the Regular Meeting of December 1, 2005, and the Check Register for November 2005.

Councilman Smith said he has a correction to the Special Meeting of November 28, showing him in attendance but he was absent. Councilwoman Teague said the Special Meeting of November 28 shows her absent but she was in attendance.

**VICE MAYOR WALDO MOVED THAT THE COUNCIL APPROVE THE CONSENT AGENDA WITH THE CORRECTIONS. COUNCILMAN HOFFMAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.**

ITEM NO. 5, CURRENT EVENTS BY TOWN MANAGER AND INTRODUCTION OF NEW TOWN EMPLOYEES:

Kelly Udall said they would be accepting Christmas trees at the Recreation Complex for disposal. He said there is information on the Town's website.

Chief Eldredge introduced three new Police Officers Joe Hite, Jason VanAller, and Sam Rash. He said they hired two new dispatchers and introduced Carrie Nasabal and Drew Durovy.

Paul Esparza introduced Keith Dennis the Town Planner, and Lisa Figueroa, the Community Development Secretary.

ITEM NO. 11, COUNCIL DECISION REQUEST FOR THE APPROVAL OF THE COTTAGES AT PINECREST REPLAT:

Mr. Esparza said the final plat was approved by Council on June 16, 2005. It is a four-lot subdivision directly behind the Dollar General and there are three residential lots and a half-acre lot. The purchaser of Parcel No. 4 is asking to subdivide the lot and is requesting the three lots be approved as residential use in place of developing the lot as commercial use. This requires the previously approved final plat be amended and a replat be submitted for Town approval. The Pinetop Fire Department has approved it and Town staff has reviewed the replat as submitted. All previously required improvements for ribbon curb and asphalt patch are to be completed and coordinated with the Roads Department. He said the replat of the Cottages at Pinecrest to all residential lots as opposed to a commercial use on Parcel No. 4 will create less impact and traffic to the adjacent residents on Pinecrest Lane. Councilwoman Teague asked if the new subdivision regulations would be applied to the replat. Mr. Esparza said they would. Councilwoman Teague asked if there was a minimum requirement. Mr. Esparza said there was no minimum requirement. Councilwoman Teague asked about the subdivision regulations for sidewalks. Mr. Esparza said when the plat was approved they looked at providing curb with gutter, but sidewalks were not required at that time.

Lon Dorsay said he has not had a chance to review this and none of the neighbors have either. He said the neighbors have protested this subdivision for approximately six months. It was zoned commercial from the old Navajo County regulations. They agreed to put in four commercial lots and the neighbors were still unhappy. The Aschauer Company resolved it by agreeing to put in three homes, which are currently being built and are an asset to the neighborhood. They retained one lot for commercial use. Every requirement of the new Subdivision Code is being violated by the original subdivision. They finally resolved this and now he understands they want to take the one commercial lot and divide it into three lots. He is asking Council to consider this commercial lot be developed as one nice single family lot.

Paul Esparza said the property is zoned C-1 with the proposed additional subdividing there will be no more lots created. The zoning requires 6,000 square feet and meets the minimum zoning requirement. Staff realizes the potential for what could exist on that commercial lot, but this is the lesser of the impacts and staff feels this is a better alternative than to allow potential commercial use. Mayor Vicario asked who the owner of the parcel they want to subdivide is as

he is concerned with the relationship. If they subdivide the one lot into three and they have related parties they can subdivide and split out. Mr. Esparza said he does not know the relationship. Mayor Vicario asked if it is in compliance with the new subdivision code. Mr. Esparza said this is commercial property and said they are not required to buffer against the commercial property. In discussing this with the Roads Department they would need to patch back to the curb. Councilman Smith asked if there is documentation of the relationship, and said he would like to hear from the owner.

Mike Gesberg said they purchased this property and went into partnership with two other people. All three would like to build cabins to bring their families to visit. Instead of putting in apartments they felt better about building three cabins. Tony Cox said he is one of the owners. He said the former owner of the property Ashauer indicated to him to be careful how it is handled because of the law on splitting and he has handled everything to avoid any problem, he said there is no relationship.

Councilman Kengla said this strikes him as a win-win situation for the subdivision and said he thinks this is positive for the neighborhood.

**COUNCILMAN KENGLA MOVED THAT THE COUNCIL APPROVE THE COTTAGES AT PINECREST REPLAT AS SUBMITTED. VICE MAYOR WALDO SECONDED THE MOTION AND IT CARRIED WITH FIVE IN FAVOR. COUNCILWOMAN TEAGUE WAS OPPOSED.**

ITEM NO. 6, RESOLUTION NO. 05-777 APPROVING A PURCHASE AGREEMENT WITH BLUE RIDGE SCHOOL DISTRICT #32 FOR THE PURPOSE OF CONSTRUCTING A VISITORS' CENTER:

Councilman Kengla declared a conflict of interest, and excused himself from the meeting.

Mr. Udall said this is a purchase agreement, which has been approved by the School Board. The property is on West Johnson Drive and is approximately 1.17 acres for the purchase price of Ten Dollars. However, there are some valuable considerations in the agreement that make the purchase more equal to the fair market value. Councilman Smith asked if the Town has looked at other parcels. Mr. Udall said they have not. He said this parcel comes with a lot of good will and the School Board feels it would be a good place to put the building. Councilman Smith asked if the price and the financial considerations are taking precedence over the location and the concerns about the traffic and the proximity to the school and the children. Mr. Udall said those things were explored with the School District and there were concerns from the transportation employees there would be added problems with traffic. They believe they can mitigate a lot of those problems by prohibiting parking along Johnson Drive. The School Board ultimately felt this would be a good place to locate the building. Councilman Hoffman said item No. 3G in the agreement reads, "The School District's use of Town's irrigation water for its athletic facilities at no cost to the School District" and said he thinks they should be able to sell some of the water back to Arizona Water. He thinks including this paragraph within the purchase agreement far exceeds the value of the property. He does not like the contract but said he could live with it without this item and said he would not support the contract with that paragraph left in. John Vuolo said he believes it is a misprint but is not sure. If the intention is to use the Town's well water that is a decision the Council would make. Mr. Udall said it is contained in the agreement,

but at the same time these things would have to be mutually agreed on to be enacted. He does not think they would agree to free water. If the Council would like to omit this paragraph they would have to take it back to the School District for approval.

Tammy Dennison said she has no problem with the Chamber of Commerce but opposes the location of the Visitors' Center building. She said it will change the aesthetics of the school. She said she is a school employee and attended the School Board meeting. She said the intersection is too busy for motor vehicles and pedestrian traffic, and would create traffic problems. Her greatest concern is putting a public building on the school campus. She said they recently passed a bond to increase the school campus. Mayor Vicario asked if a lot of the concern she has on the congestion is because of the parking on Johnson Drive. Ms. Dennison said it is putting people they don't know next to the kids and giving public access to the youngest kids on campus.

Gary Renfro said he also opposes the Visitors' Center building being there, because he thinks they are putting it in the wrong place. He drives the bus occasionally and uses that road, and he thinks it will impact them.

**COUNCILMAN HOFFMAN MOVED THAT THE COUNCIL ADOPT RESOLUTION NO. 05-777 WITH THE OMISSION OF ITEM NO. 3G. VICE MAYOR WALDO SECONDED THE MOTION.**

The Council directed staff to look at additional parking behind the Library on Town land and no parking signs on Johnson Drive with enforcement.

Councilman Smith said he works on the same campus and the enforcement of any kind of parking there is almost impossible. He said he is concerned for the students and staff safety. Councilwoman Teague said she also has a major concern with the purchase agreement because of the location, and said she thinks the traffic impact would be significant. The Library use is heavy especially in the summer. She said she is opposed to cutting trees to provide additional parking spaces. She said if this is passed she is in favor of removing Item No. 3G. Mayor Vicario said this is a hard decision as he also has a concern about the safety issues but at the same time the Chamber of Commerce needs a building for the Visitors' Center and trying to find a building at a reasonable cost is difficult.

Councilman Hoffman said this contract is a starting point and with the design and engineering process he hopes to get a traffic study done. Mayor Vicario asked if the construction of the two new schools would alleviate some of the problems. Vice Mayor Waldo said he thinks initially it would drop the population of the students and staff on this campus but over a period of years it would probably go up. He said it his understanding they would build an Elementary School and a Junior High School and the High School would take over the present Junior High School. Councilman Smith said there are no plans to change the transportation.

**MAYOR VICARIO CALLED FOR THE VOTE AND IT CARRIED WITH THREE IN FAVOR. COUNCILWOMAN TEAGUE AND COUNCILMAN SMITH WERE OPPOSED.**

Councilman Kengla returned to the meeting.

ITEM NO. 10, PROPOSED ANNEXATION OF TERRITORY IN THE WAGON WHEEL AREA:

Mr. Udall said there are compelling reasons why they are starting the process to annex Wagon Wheel. He said there will be many opportunities to discuss this and they will be in the Wagon Wheel neighborhood. He said this is not a battle as publicized. The future of this is in the hands of the residents. Mr. Udall introduced his staff and said they are all here to help.

Mr. Esparza said when this was initiated in November the Town was approached by citizens and were asked to consider annexing the area. Mr. Esparza said the Town prepared a map of the area then expanded it on request. He showed both maps and explained the area they are proposing to annex. He said the expansion of this boundary came about from discussion and feedback from citizens saying they would like to see the boundaries extend westward. He said they were required to file the map and a blank petition with Navajo County and the Arizona Department of Revenue. The County will establish ownership and the Department of Revenue will look at the valuation. To pass the annexation more than fifty percent of the property owners must sign the petition as well as fifty percent or more of the assessed valuation of property. The Town has one year to complete the process. The Town Council would then adopt an Annexation Ordinance.

Mr. Udall referred them to the Wagon Wheel annexation pamphlet. He said on the back is the contact information. He discussed the following advantages, direct participation in Government, 24-hour Police protection, a local road maintenance program, local services, and parks and amenities. Mr. Esparza discussed the following advantages, citizen committees, government access via the Internet, advertising and promotion, economic development, local control of land use and zoning, grandfathering existing land uses, and Federal and State Grant Funds.

Mr. Udall said some of the concerns they have heard are Animal Control, land use and property values, and using Town services. He said some are already using a portion but they are missing a lot of the services the Town provides. Mr. Esparza said one of the concerns is increased sales tax. He referred them to the table on sales tax and explained the different percentages. He said there is no municipal property tax. Mr. Udall said if the annexation passes the increase they would see is on sales tax of utilities. Mayor Vicario said with regard to property tax it can only be instituted by a vote of the people.

Mr. Udall said this is not the only public meeting they will have. There will be many opportunities, as they will come to the neighborhoods and answer questions and would post information on the Town's website. He said they are very good neighbors but could be one community. He said they belong to the same school district, they have Lakeside addresses, and are serviced by the Lakeside Fire District as well as the Pinetop-Lakeside Sanitary District. The Town thinks of them as a service area when it comes to police services, because they service the Wagon Wheel area. He said in short they identify themselves with Wagon Wheel. He said it is their future and asked what they would look like in five years with their present growth rate. They would like to explore these ideas and see if through this exploration they can satisfy a lot of the needs. They are confident they can.

**COUNCILMAN SMITH MOVED THAT THE COUNCIL CONVENE THE PUBLIC HEARING AT 8:38 P.M. COUNCILWOMAN TEAGUE SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.**

Kathryn McClellan said she is in favor of the Wagon Wheel annexation because there is unity in numbers. She says they either have a choice of Pinetop-Lakeside or Show Low. Show Low has already annexed Fawnbrook and they are discussing annexing Linden. She said participation in the government is an advantage. If they are in the County and want to do something they have to go to Holbrook and it is an hour drive. She said she is part of the Concerned Citizens Group and welcomed participation from the Wagon Wheel residents.

Judy Abend said she lives on White Pine Drive. She said she thought she lived in the Wagon Wheel area but according to the map she does not. She lives between North Drive and Cub Lake Road and asked why the annexation boundaries are breaking up Pineview Summer Homes. She said she does not know whether or not she wants to be in Pinetop-Lakeside. She said she does not want her Pineview Summer Homes split up. Mr. Esparza said she would remain in the County's jurisdiction. Mr. Udall said they had to draw the line somewhere and drew it to square it off for Lakeside Fire District service delivery purposes.

Dan Dandis said he lives in Wagon Wheel and is opposed to annexation by Pinetop-Lakeside or Show Low. They already have a lot of the advantages they spoke of tonight. He said they created a road district in their community. He said he is concerned with a new Council that may want to implement a property tax. He does not see an advantage and is happy where he is.

June Webb said a lot of the residents and if annexed by Show Low he would lose his birthright. He has a love for the community of Lakeside and now it is Pinetop-Lakeside. He said he is in favor of the annexation and has talked to a lot of people who are also in favor.

Bill Malone said he owns Blue Diamond Homes and is a property owner on Deer Valley. He opposes the annexation and feels it would affect some of his customers. He said their property value in the last three years rose unbelievably. He is not against Pinetop-Lakeside, because Pinetop-Lakeside has a lot of good things. It is his understanding if they are annexed they would be paying 2.5% more to the utilities such as Navopache Electric Co-op.

Joe Russell said he does not live in Wagon Wheel but lives in Pinetop-Lakeside. Wagon Wheel is in the Blue Ridge School District, they are serviced by the Pinetop-Lakeside Police Department, the Lakeside Fire Department, they use the Lakeside Post Office, and the Pinetop-Lakeside Sanitary District. If this annexation should fail and Show Low gets this area what happens to all those services. Mayor Vicario said the School District would not change but does not know about the rest. Mr. Russell said even though this does not impact him he thinks it is one of the smartest moves they have made and would like to see them annex the small county pockets that are in and around the Town and bring them all in now. They need a bigger Town to give them a bigger tax base and more state shared revenue. Mayor Vicario said he would like to clarify they had citizens come to them and ask for this and that's what precipitated this.

Dave Larson said he lives at 4976 West Street and owns a sign business. He said he believes it is inevitable this area will be annexed. The real purpose is to capture the sales tax revenue of approximately \$500,000 a year that comes out of the Wagon Wheel area and he wishes they would say that. If he were to vote for this he wants to know what the residents would get for that and he would be in favor if the sales tax revenues would go to the Wagon Wheel area. Mayor Vicario said if they were only interested in sales tax they would only be interested in annexing the business area. If Show Low annexes them they would pay an additional sales tax of 2%

instead of 2.5%. He said part of the reason for the expansion is not only to extend the boundaries but also the tax base. He said they have been upfront about this. If annexed they would need more services and that is where the money would go.

Ernie Sutter said Pinetop-Lakeside has not been able to create the unity of the post offices. They do not have any control over the Fire Departments. He said Pinetop-Lakeside does not own their own equipment they subcontract out. In Wagon Wheel they enjoy being left alone. The initial annexation line did not take in any residential areas to the west of Wagon Wheel, it was distinctly drawn on the commercial boundary targeting commercial. Mayor Vicario said the additional area to the west was requested by citizens.

Larry Romo said he has owned property in Wagon Wheel for fifteen years. He also thinks annexation is inevitable. Mr. Romo said he is sure several of the businesses that advertise they charge no city sales tax will lose business. He said they talk about giving them services but they pay for those services through property tax. He said he has no real preference one way or the other, he just has concerns.

Gene Stirling said he lives in the County and does not think the sales tax issue would affect his business. He said he likes Wagon Wheel to be Wagon Wheel. He said the City of Show Low says most of the time their annexations were done because people wanted to be on sewer. If he had his choice he would rather be in Pinetop-Lakeside than Show Low.

Rick Garsha said he lives in Wagon Wheel and some of the people that spoke earlier do not live in Wagon Wheel so it would not affect them. He is a little suspicious of the timing of the meeting as there are a good deal of the residents not in attendance to express their concerns. Mayor Vicario said this meeting date is statutory. They had no choice of the date. Mr. Udall said they intend to take whatever time it takes to inform the people. Mr. Garsha said they do not have to be in Show Low, they do not have to be in Pinetop-Lakeside, and he is not interested in paying the extra taxes on utilities.

Ben Newmarkle said he lives in Wagon Wheel and owns a home in Pineview Summer Homes and has purchased one on West Street. He said there will be County Animal Control. He has had building permits and has not had to go to Holbrook. He said every time he has seen the Community Development Block Grant it was for low income housing. He said he pays enough for taxes and is concerned with who is going to take care of his road. He said he is opposed to annexation at this time because he sees nothing better than what he already has.

Gene Kelley said he is speaking as a property owner to oppose the annexation. He said in the City of Show Low there never has been an annexation that wasn't originated by the people that own the property. The City of Show Low owns Show Low Lake. He said no annexation on the south border of Show Low has taken place without the request of the property owners in the ten to eleven years he has been on the Show Low Council. He would like to ask the Pinetop-Lakeside Council to have a study session on what it would cost them to maintain a snowplow and provide services to these residential areas especially the areas that do not have paved roads. He said he thinks it was a misconception that Wagon Wheel had to go to either Show Low or Pinetop-Lakeside and said neither Show Low or Pinetop-Lakeside has anything to offer them. There was one exception that he thought was the most logical reason why he would want to be in one town or the other, and that was police protection until he checked out how it really works.

Roger Mineer said they all deserve to educate themselves. He would encourage them to give him a call or come by the Fire station and ask questions. There is more to this equation than what appears and said to please educate themselves and be better informed.

Mayor Vicario thanked everyone for coming. He said they will be informed of the next meeting.

**COUNCILMAN HOFFMAN MOVED THAT THE COUNCIL ADJOURN THE PUBLIC HEARING AT 9:32 P.M. COUNCILMAN SMITH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.**

ITEM NO. 7, RESOLUTION NO. 05-778 AUTHORIZING AN APPLICATION TO THE GREATER ARIZONA DEVELOPMENT AUTHORITY FOR FINANCIAL ASSISTANCE PURSUANT TO TITLE 41, CHAPTER 10, ARTICLE 8, ARIZONA REVISED STATUTES AND DECLARING AN EMERGENCY:

Councilman Kengla declared a conflict of interest and excused himself from the meeting.

**VICE MAYOR WALDO MOVED THAT THE COUNCIL ADOPT RESOLUTION NO. 05-778. COUNCILMAN HOFFMAN SECONDED THE MOTION AND IT CARRIED WITH THREE IN FAVOR. COUNCILWOMAN TEAGUE AND COUNCILMAN SMITH WERE OPPOSED.**

ITEM NO. 8, RESOLUTION NO. 05-779 SUPPORTING THE WHITE MOUNTAIN APACHE TRIBE'S EFFORTS ON SNOW-MAKING AND THE PARTNERSHIP BETWEEN THE TOWN AND THE TRIBE:

Mr. Udall said they had a good meeting with the White Mountain Apache Tribal Council and hopes it will be one of many. He said the Tribal Chairman recommended they each do a Resolution containing the things they have in common.

**COUNCILMAN HOFFMAN MOVED THAT THE COUNCIL ADOPT RESOLUTION NO. 05-779. VICE MAYOR WALDO SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.**

Councilman Kengla returned to the meeting.

ITEM NO. 9, COUNCIL DECISION REQUEST FOR THE APPOINTMENT OF AN INDIVIDUAL TO SERVE ON THE 2020 VISION COMMITTEE. PURSUANT TO A.R.S. § 38-431.03(A)(1) THE COUNCIL MAY VOTE TO ENTER INTO EXECUTIVE SESSION TO DISCUSS THIS ITEM:

**COUNCILMAN SMITH MOVED THAT THE COUNCIL APPOINT DOUGLAS RESSLER TO FILL THE UNEXPIRED TERM OF THE BUSINESS SEAT ON THE 2020 VISION COMMITTEE. COUNCILWOMAN TEAGUE SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.**

ITEM NO. 12, TOWN COUNCIL COMMITTEE CURRENT EVENT REPORTS:

Councilman Hoffman said Main Street canceled their meeting for a lack of quorum. He said the Advertising and Promotion Committee met and discussed their Budget/Media plan and the half percent sales tax.

Councilman Kengla said he does not have a report because he did not attend the WMRDC meeting. He said he thinks Councilwoman Handorf attended the meeting.

Vice Mayor Waldo said he attended the TRACKS meeting and the Panorama Trail is almost complete. They discussed setting up a committee for Woodland Lake Park. He said the Transit Advisory received a letter from the Senior Citizens asking them to move the bus stop. Last weekend as he was moving the bus stop a lady asked why he was moving it. She was very upset. He assured her it wasn't going very far. Councilwoman Teague said she thinks the Senior Citizens appreciate it.

Councilwoman Teague said a number of the Senior Citizens attended the services for Hodge Rasmussen. She said they have received donations to help with replacement of the windows and damages caused by the vandalism. She said the 2020 Vision Committee met for the first time in the Blue Ridge School Board room. The brochure planning is going well. Three members of 2020 had discussed the PUD text amendments and gave an interesting presentation of their assessment. She said the Show Low Creek Water Shed Enhancement Partnership met to plan a workshop.

Councilman Smith said he attended the Humane Society meeting two days ago. They talked about the publicity over an accidental euthanasia. They are working on resolving the issue through policies and campaigns and are interested in starting a PR campaign on how to avoid tragedies such as this. They will be changing their meeting times.

Mayor Vicario said the NACOG Meeting was canceled. He said he would not be at the Mayors meeting in January. He said Regional Transportation hired Jack Husted as their consultant. He said Mayor Rick Fernau pledged to make eight to nine meetings. He said the Business Advisory Group meets on January 18, 2006.

ADJOURNMENT:

The regular meeting was adjourned at 9:54 p.m.

Dated this 21st day of December 2005.

PINETOP-LAKESIDE TOWN COUNCIL

/s/ Lu Anne Frost, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Pinetop-Lakeside, Arizona, held on the 15th day of December 2005. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 21st day of December 2005.

/s/ Lu Anne Frost, Town Clerk