

MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, HELD MARCH 18, 2010 AT 7:00 P.M. IN THE TOWN COUNCIL CHAMBERS.

Mayor Smith 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 Luke Smith	<u>X</u>	<u> </u>	Stephanie Irwin	<u>X</u>	<u> </u>
Vice Mayor Rich Crockett	<u>X</u>	<u> </u>	Kim Webb	<u> </u>	<u>X</u>
Woody Biscoe	<u>X</u>	<u> </u>	Leslee Wessel	<u>X</u>	<u> </u>
Norris Dodd	<u>X</u>	<u> </u>			

STAFF PRESENT:

Kelly Udall, Town Manager; Rosemary Rosales, Town Attorney; Lu Anne Frost, Town Clerk; Tom Thomas, Public Facilities Director; Paul Esparza, Community Development Director; and Woody Eldredge, Chief of Police.

ITEM NO. 2, PLEDGE OF ALLEGIANCE AND INVOCATION:

The Pledge of Allegiance was said, followed with an invocation by Vice Mayor Crockett.

ITEM NO. 3, CALL TO THE PUBLIC:

Mayor Smith explained the rules for Call to the Public.

Jim Beck read from the writings of Thomas Jefferson; and read the definition of malfeasance from the Black’s Dictionary. He then read from the Attorney General’s lawsuit against the Town of Pinetop-Lakeside, for those in the audience who had not read it. He said the illegal acts complained of are examples of malfeasance and said the Town Council expects the citizens to put it behind them without any consequences to the guilty parties, as if it were an inconsequential incident. He said the citizens expect their local representatives to honor valued principles and transparency in government, and said it is highly unlikely this issue would go away until it is.

Jineine Ross stated as a business owner she has a concern with the tent vendors. She stated she hopes they would be held to the same standards as in the Valley, where there are fees and requirements. She stated it is hard for her when she sees the same things in the tents that she has for sale in her store. She stated she is in favor of a farmer’s market with real homemade goods, but said a lot of the things the tent vendors sell are purchased through other vendors. She encouraged the Town to look at what other cities are doing and make sure they pay sales tax, as every single dollar matters.

Wes Alderson stated he is against tent vendors; government subsidized housing and other ultra liberal ideas that run against the grain in Pinetop-Lakeside. He stated when problems exist it causes government to react with a spirit of desperation instead of wisdom. He said government has no business intervening in free enterprise, such as housing. He said to provide cheap, shabby housing has already proven to undermine property values, discourage real estate sales and add to

crime. He said the tent vendors should be kept out of Town. He said to relax business codes, and allow tent vendors to return would be “legalized suicide” for the local economy. He said tent vendors divert money that would have otherwise been spent at good solid businesses. He said the ugly appearance of tent vendors turned people away and sent them to places like Greer and Springerville. He asked the Town Council not to weaken the business license requirements, or zoning codes. He said instead, the desired solution is to increase the cost of permits, to make sure taxes are being paid, and let free enterprise do what it is supposed to do without government intervention.

Paul Allen thanked the Council and staff for their time and effort in service to the community. He said he appreciates it, as does most of the community. He said this is as tough of economic times as they have seen in a lifetime; but said personally he has had a better winter, which makes him happy. He said the Town Council should not pinch pennies and lose dollars. He said it does not do any business or governmental entity any good to cut back on advertising, promotion and business retention in hard economic times. He said businesses that cut back on advertising during economically stressful times fail. He stated it is in their best interest to remain at the same level or even increase it. He said the lifeblood of this Town is tourism. He said they have to have the people coming up from Valley and Tucson. He said he wholeheartedly supports the efforts of the Chamber of Commerce, Main Street, and the Advertising & Promotion Committee, and urged the Town Council to maintain their funding.

Chris Kengla stated having been on both sides of the fence he salutes them. He stated it is an arduous task. He said there is more anxiety sitting on the Council than they realize, and said it takes time away from their families for a small stipend. He reiterated what Mr. Allen said; and suggested they be cautious with cuts to the Chamber and Main Street.

ITEM NO. 4, CONSENT AGENDA:

The consent agenda consisted of the Minutes of the Work Session and Regular Meeting of March 4, 2010; a Liquor License Application for the Maverick Corral & Bar; the Check Register for February 2010; an Invoice from Counts Planning LLC for Completion of the General Plan Phase I; an Invoice from the City of Show Low for the Sitgreaves Communities Wildfire Protection Plan Administrator; Resolution No. 10-1113 Declaring that Document known as “Town Code Chapter 5.04, Business Licenses Generally” to be a Public Record; and Resolution No. 10-1114 Requesting the Arizona Department of Transportation Establish a Dedicated Winter Maintenance Fund in the FY 2011 ADOT Operating Budget.

Councilwoman Wessel stated she would like the liquor license for the Maverick Corral & Bar pulled from the consent agenda for discussion.

COUNCILWOMAN IRWIN MOVED THE COUNCIL APPROVE THE CONSENT AGENDA AS ADJUSTED. COUNCILMAN DODD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Councilwoman Wessel asked if the liquor license for the Maverick Corral & Bar is a new or existing license. Lu Anne Frost responded it is a new license. Councilwoman Wessel confirmed it meets all of the criteria. Ms. Frost stated it does. Councilwoman Wessel asked if it is located

at the Maverick Center. Ms. Frost confirmed it is. Councilwoman Wessel asked when the business would be opening. Ms. Frost stated they do not know.

COUNCILWOMAN WESSEL MOVED THE COUNCIL APPROVE THE LIQUOR LICENSE FOR THE MAVERICK CORRAL & BAR. VICE MAYOR CROCKETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

ITEM NO. 5, MAYOR'S PROCLAMATION OF APRIL 11 THROUGH 17, 2010 AS "THE WEEK OF THE YOUNG CHILD":

Mayor Smith proclaimed the week of April 11 through 17, 2010 as "the Week of the Young Child" in Pinetop-Lakeside, and encouraged all citizens to work to make a good investment in early childhood in Pinetop-Lakeside.

ITEM NO. 6, MAIN STREET UPDATE BY CONNIE BOGGS, DIRECTOR:

Connie Boggs stated 2009 was a difficult year for the entire U.S., but especially small businesses in Pinetop-Lakeside; and stated everyone had to make financial adjustments. She stated the businesses are growing slowly. She stated Main Street may not be bringing in the Intel's, the Google's, or the Apples of the world, but said the list provided to the Council has quite a few businesses on it. She stated the first business she worked with was Lupita's, which is still in operation after 9 years. She stated when Jerry and Teddy Croney wanted to open a bigger, better movie theater in Show Low, she thought how she could convince them to build in Pinetop-Lakeside; so she said she invited them to visit with Wally Chester, President and CEO of Westcor in Scottsdale. She said after hearing about the project, Mr. Chester told him the location in Pinetop-Lakeside was perfect and it would be a success. She said they have lost businesses to Show Low and businesses have closed for one reason or another, but said it is not all doom and gloom. She stated the Maverick Corral would open in early summer. She stated the Sierra Blanca Assisted Living Facility would be opening in early summer; and said there are many home-based businesses that are growing. She stated the banks are slowly loaning money to small businesses. She stated they have lived through the slow economy and need to work through it and be more positive. She said she is working with Councilman Dodd and the Town to develop Walnut Creek. She said she is working with Navopache Electric to develop the land they would vacate. She said she continues to work with Councilman Biscoe and the business owners. She stated there is no magic potion, just to make every minute count. Councilman Biscoe stated this is the year they would turn around, and said he could not have gotten the business owners meetings off the ground without Ms. Boggs.

Larry Vicario, Main Street Board President, thanked the Town for the support given to Main Street. He said Main Street is not just for retail businesses. He said Main Street is looking for businesses that bring full time, year round jobs. He stated Ms. Boggs works really hard.

Councilwoman Irwin commended Ms. Boggs on her hard work. She said they have to keep economic development plans going so they are ready when the economy recovers.

Gwen Meyer stated the hotel/motel industry was up 15% in January over the previous year and only down 4% for the whole year. She stated a Town with heart tries to keep jobs within the Town, businesses within the Town; keeps residents with the services the need, and keeps the

assets of the Town, like the Park, for all. She stated it is a delicate balancing act. She stated they need the efforts of Main Street to strengthen the economy. She stated the empty store fronts do not send a good message. She asked them to look at organizations like Main Street and Advertising & Promotion as they are the lifesavers that establish and stabilize the economy. She said Main Street has a difficult job; and said the down economy requires harder work. She stated economic development takes years of planning for significant businesses to come in.

Mayor Smith thanked Ms. Boggs, and said he does not see how it could be done any other way.

ITEM NO. 7, RESOLUTION NO. 10-1115 APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF PINETOP-LAKESIDE AND NAVAJO COUNTY FOR IMPROVEMENT OF THE BILLY CREEK BRIDGE:

Tom Thomas introduced District 5 Supervisor, Jerry Brownlow. Mr. Brownlow stated Billy Creek is a vital part of southern Navajo County and urged the Council to support the IGA. He stated this has been an ongoing process. He said the TIGER Grant was an effort between the County, Show Low and Pinetop-Lakeside, and said unfortunately they were unsuccessful. He stated the bridge was constructed in the 70's, but said the community has grown and continues to grow. He said he is thankful the County is able to assist with the project. He introduced County Manager Jimmy Jayne.

Mr. Jayne stated more things can be accomplished through partnerships, and said they appreciate the partnership with Mr. Udall and his team. He stated Porter Mountain Road/Penrod Road is a road of significance in this region. He stated it is a connector road that has been improved through a partnership with the County, Pinetop-Lakeside and Show Low. He stated the County is working to continue to improve the Penrod Road Extension; which brings people from Apache County to this region. He stated they intend to hardtop that road to the County line through Mr. Brownlow's assistance this spring. He said that is a blessing to a lot of different people and provides more access to the forest. He said there are a lot of kids traversing the bridge and said it is a dangerous situation. He said they would all be served by partnering to improve it.

Mr. Thomas stated this agreement solidifies the cooperative effort for the redevelopment and reconstruction of the Billy Creek Bridge. He stated the State Transportation Improvement Program works on a 4-year cycle. He said not all projects are eligible. He said the Town's next cycle was 2014, but said through his and the Town Manager's hard work; they were able to swap funds in this cycle with the City of Holbrook. He stated this project would make a safe environment for the children. He said the County has agreed to reallocate their 2010 program funds to the Town. He stated the Town received a congressional appropriation of \$177,840 which has been added to the pot. He stated he would be attending a NACOG subcommittee meeting to attempt to get a million dollars from what the County now has for the Obed Bridge Project. He stated that comes from a different fund, and like the STIP funds, cannot be reallocated, has to be applied for, and the County has to relinquish their claim. He stated they have secured \$782,078 from the City of Holbrook, \$782,078 from Navajo County, along with the congressional appropriation of \$177,840. He said combined, it totals \$1,741,996. He said if they are able to secure the Obed Bridge monies it would bring the total to \$2,741,996. He stated, with those funds alone, they can widen the bridge by adding on to it; but said they have also asked for another appropriation of one million dollars through Congresswoman Kirkpatrick's office, which would allow them to do a little bit more.

Councilwoman Wessel stated it has taken a lot of work and cooperation between all the entities and said she appreciates everyone trying to make this happen. Vice Mayor Crockett stated he is in favor of correcting the bridge problem. Mayor Smith stated he appreciates the partnership and said he feels the TIGER Grant process strengthened that.

VICE MAYOR CROCKETT MOVED THE COUNCIL APPROVE RESOLUTION NO. 10-1115 APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF PINETOP-LAKESIDE AND NAVAJO COUNTY FOR IMPROVEMENT OF THE BILLY CREEK BRIDGE. COUNCILMAN DODD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

ITEM NO. 8, ORDINANCE NO. 10-336 REPEALING “TOWN CODE CHAPTER 5.04, BUSINESS LICENSES GENERALLY” AND ADOPTING NEW “TOWN CODE CHAPTER 5.04, BUSINESS LICENSES GENERALLY”:

Paul Esparza went over the proposed text changes to Town Code Chapter 5.04. He stated staff is also recommending an increase to the business license fee to make it an annual fee of \$50. He stated the current fee equates to \$5 per year.

Councilman Biscoe asked if staff has started doing an inventory of the businesses in Town. Mr. Esparza stated they are compiling a business data base file. He said it is a very important tool to manage the business licenses within the Town. He stated they have been able to identify businesses. He stated it is a work in progress, but said they are now able to track businesses throughout the Town. He stated they would like to enhance it by adding other areas of information, but said they are able to track businesses. He said using the data base; they would be able to notify business owners 30 days prior to their license becoming due. Councilman Biscoe stated the business of the Town is tourism, and said a group is gathering information in a data base, such as how many restaurants there are and the seating capacity, in order to book events. He stated the data base would be used by the Advertising & Promotion Committee, the Chamber, and a private entity to book events. Mr. Esparza stated they do not see any problem being able to do that. He stated the proposed changes to the sign regulations would be advanced to the Council in the near future.

Mr. Alderson stated this appears to be a way to strengthen tax collection from some of the businesses that were apparently getting by without paying taxes. He stated they can only win out over economic doom and gloom if everyone is doing their share. He said they should not discourage new ideas if they are going to move them into a better future. He said once a good idea is planted, the tree grows and produces good fruit.

VICE MAYOR CROCKETT MOVED THE COUNCIL APPROVE ORDINANCE NO. 10-336 REPEALING “TOWN CODE CHAPTER 5.04, BUSINESS LICENSES GENERALLY” AND ADOPTING NEW “TOWN CODE CHAPTER 5.04, BUSINESS LICENSES GENERALLY.” COUNCILMAN DODD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

ITEM NO. 10, RESOLUTION NO. 10-1116 ADOPTING THE BUSINESS LICENSE FEE SCHEDULE:

Mr. Esparza stated staff recommends increasing the business license fee to \$50 per year based on a survey of communities in Arizona. He stated they felt it would be appropriate to prorate the fee schedule based on the quarter in which the business license was applied and paid for. Mayor Smith asked if that would be too burdensome. Mr. Esparza stated it is not. Councilwoman Wessel asked if the other communities prorated their fees. Mr. Esparza stated some of the communities prorate their fees. Councilwoman Wessel asked if the businesses are in favor of the proration. She suggested they increase it just as a flat \$50 annual fee. Councilman Biscoe stated he held 5 meetings with the business community, and said one of the discussions was if they came in at half the year would they be required to pay the full price; and said it was suggested if they come in at half year they would pay half price. He said if they are going to prorate the fee, only do it once, and not break it down by month. He stated they are not doing this to lose money. He suggested \$50 for the full year and \$25 for a half year. Councilwoman Wessel stated she liked that idea. Councilman Biscoe asked if the A-frame and banner fees would be changed after it goes through Planning & Zoning. Mr. Esparza stated the Planning & Zoning Commission would make a recommendation to the Town Council. Councilman Biscoe asked if those who have already paid for their A-frames or business license would be prorated. He said it would be more efficient to have all businesses pay at the same time per year; and said he would also like the business owners to be able to take care of their fee by e-mail. Kelly Udall stated he understands there would be one level, January 1 to June 30 would be \$25, and anything prior to January 1 would be \$50. Councilwoman Irwin asked how they are going to handle existing business licenses. She said for example, if someone in January of this year paid their 2-year license fee, would they still be subject to this on July 1. Mr. Esparza stated it would be applied to the new fee.

COUNCILWOMAN WESSEL MOVED THE COUNCIL APPROVE RESOLUTION NO. 10-1116, ADOPTING THE BUSINESS LICENSE FEE SCHEDULE OF \$50 FULL YEAR/\$25 HALF YEAR. COUNCILWOMAN IRWIN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Councilman Biscoe stated Julia Patrick offered assistance with gathering the information for the business license data base.

ITEM NO. 11, CURRENT EVENTS BY TOWN MANAGER:

This item was heard during the work session.

The Regular meeting adjourned at 8:07 p.m.

Dated this 24th day of March 2010.

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 18th day of March 2010. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of March 2010.

/s/ Lu Anne Frost, Town Clerk