

**PAGE CITY COUNCIL
REGULAR MEETING MINUTES
JANUARY 13, 2016**

A Regular Meeting of the Page City Council was held at 6:30 p.m. on January 13, 2016, in the Council Chambers at City Hall in Page, Arizona. Mayor Bill Diak presided. Vice Mayor John Kocjan, Councilors Mike Bryan, Scott Sadler, Levi Tappan, and Dennis Warner were present. There was a moment of meditation. City Attorney Joe Estes led the Pledge of Allegiance.

Mayor Diak called the meeting to order.

Staff members present: City Manager, J. Crystal Dyches; City Attorney, Joe Estes; IT Director, Mike Bergner; Police Chief, Frank Balkcom; Human Resource Administrator, Kay Eddlemon; Finance Director, Linda Watson; Community Development Director, Kim Johnson; Deputy City Clerk, Sue Kennedy; and City Clerk, Kim Larson.

PRIORITY LIST

Discussion and possible action by the City Council pertaining to the City Council Strategic Priorities

There was no discussion by the City Council.

Discussion and possible action by the City Council pertaining to the City Councilors individual priorities

There was no discussion by the City Council.

MINUTES

Regular City Council Meeting-December 16, 2015

Motion made by Vice Mayor Kocjan to approve the minutes. The motion was duly seconded and passed upon a vote.

CONSENT AGENDA

MINUTES

Board of Adjustment Meeting – October 26, 2015

Parks and Recreation Advisory Board Meeting – October 5, 2015

Parks and Recreation Advisory Board Special Meeting – October 27, 2015

Parks and Recreation Advisory Board Meeting – November 2, 2015

Parks and Recreation Advisory Board Meeting – December 10, 2015

Page Utility Enterprises Board Meeting – November 10, 2015

Community Development Advisory Board Meeting – November 17, 2015

Page Planning and Zoning Commission – December 1, 2015

INFORMATION

Resignation – James Hunt – Airport Board

City of Page Monthly Cash Allocation Variance Report

Motion made by Vice Mayor Kocjan to approve the consent agenda. The motion was

Page City Council Regular Meeting- January 13, 2016

duly seconded and passed upon a vote.

PUBLIC HEARINGS

Arizona Department of Revenue – Bingo License Application Cancer Outreach, Inc.

The City Clerk's Office received an Arizona Department of Revenue – Bingo License Application for Cancer Outreach, Inc. In accordance with A.R.S. Title 5, Chapter 4 this public hearing has been scheduled to hear comments in favor or opposing the issuance of a Bingo License.

Action on this item will be taken under the New Business portion of the agenda.

Motion made by Vice Mayor Kocjan to open the Public Hearing. The motion was duly seconded and passed upon a vote.

Proponents

None

Opponents

None

Motion made by Vice Mayor Kocjan to close the Public Hearing. The motion was duly seconded and passed upon a vote.

HEAR FROM THE CITIZENS

Steve Blevins, 237 Aero, stated that he had a couple of items he wanted to bring to the City Council's attention. He stated that he has been attending or watching the City Council Meetings and Work Sessions, and feels that sometimes the Work Sessions go off-subject to self-serving discussion. He reminded Council that they were elected by the people, for the people, and that they all have an Oath of Office. He said he gave the City Manager, Mayor and Council Members packets earlier in the day regarding codes and ordinances, and if you want people to take the codes and ordinances seriously, Council needs to take them seriously. He then accused the City of violating an ordinance and a code. Mr. Blevins also asked if Salt River Project (SRP) paid back the City, adding that Bryan Hill said that SRP would cut a check at the beginning of the new year.

Mayor Diak told Mr. Blevins that this was the same conversation that he has brought before City Council in the past, with the same points and information.

Mr. Blevins interrupted and stated that the Mayor was in violation of state law, and could not address him.

Mayor Diak stated that he could address him, that he was talking about something that had already been talked about, and was letting Mr. Blevin's know that Council

Page City Council Regular Meeting- January 13, 2016

understood his position, that Council disagrees, and did not want to take the rest of the audience's time to rehash it. If Mr. Blevin's had a complaint about that, which he did, and he filed the paperwork to take care of it, that the complaint would be answered in that manner. He stated that Council was not going to discuss those things again, over and over again with him. He asked if that was understood.

Mr. Blevins replied yes, but that he had never asked about the SRP check before.

Mayor Diak asked Mr. Blevins to sit down several times.

Mr. Blevins asked Mayor Diak why.

City Attorney Estes stated to Mr. Blevins that if he did not sit down as the Mayor requested, that he will ask the Police Chief to remove him from the room (Council Chambers).

Mr. Blevins continued talking as he walked to his seat, where he continued to talk.

Mayor Diak asked Police Chief Frank Balkcom to escort Mr. Blevins out.

Chief Balkcom escorted Mr. Blevins out of the Council Chambers.

Mayor Diak apologized to the audience and stated that if there was anyone else that wished to speak to Council that Council did want to hear from them.

No other citizens addressed the City Council.

UNFINISHED BUSINESS

Discussion and possible action by the City Council pertaining to a lease with Navajo Heritage Foundation, Inc. Lease Agreement – tabled December 16, 2015

At the December 16, 2015 Regular City Council Meeting, Council tabled the agenda item because the spokesperson for the Navajo Heritage Foundation, Inc. was not able to attend the meeting.

The lease agreement for the Navajo Village expired on December 31, 2015, and became month to month. During the February 11, 2015 City Council Meeting, Council directed staff to prepare a new lease agreement through the end of 2015. The new lease agreement continued the requirement that the use of the property was to promote Navajo culture and educational experiences and to promote tourism for the City, while addressing Council's concerns: hours of operation, promotion efforts, and insuring the property is open to the public and provides a benefit to the City. The new lease agreement requires the Navajo Heritage Foundation to coordinate the promotion and use of the property with the City of Page Tourism Board and City Tourism Department. The new lease agreement also provides for the ability to review Navajo Heritage

Page City Council Regular Meeting- January 13, 2016

Foundation's books and records as desired by City Council.

Motion made by Councilor Tappan to remove from the table the Navajo Heritage Foundation, Inc. Land Lease Agreement. The motion was duly seconded and passed upon a vote.

Mr. Olin Cummings, representative for the Navajo Heritage Foundation, Inc., was present to discuss the lease agreement.

Mayor Diak stated that the lease was on a month to month basis at that time. He stated that Council wanted to know if the lessee's were working on making the leased area a cultural event.

Mr. Cummings, stated that there are still not enough people coming to the venue, but that there was an increase of 23% in 2015 from 2014. He stated that there are additional bus companies that have shown an interest in making them part of their itinerary.

There was discussion.

Motion made by Vice Mayor Kocjan to authorize the City Manager to execute the Land Lease Agreement between the City of Page and the Navajo Heritage Foundation, Inc. The motion was duly seconded.

Councilor Sadler pointed out that the lease referred to the Tourism Board, which no longer exists.

City Attorney Joe Estes said the correct board language will be in the lease that is signed.

Discussion continued.

The motion passed upon a vote.

Discussion and possible action by the City Council pertaining to rezoning parcel no. 800-12-026W, 420 North Navajo Drive, from RM, Multi-Family Residential District to CBD, Central Business District-Ordinance 627-15-2nd reading

At the December 16, 2015 Regular City Council Meeting, Council passed Ordinance 627-15 to its second reading.

Stonefeather Enterprises, LLC, also know as Page Eye Center requested rezoning of its property located at 420 North Navajo Drive. Page Eye Center occupied the property and it was zoned RM, Multi-Family Residential District. The request was to rezone the property to CBD, Central Business District. A medical office is allowed only as a

Page City Council Regular Meeting- January 13, 2016

Conditional Use in the RM district, but as a Permitted Use in the CBD.

A Conditional Use Permit was issued for the current medical clinic use of property in 2014. Conditional Uses are subject to annual review and are required to pay an annual "renewal" fee. The applicant asked that the property be zoned CBD, which was the same district as the adjacent property to the east, also occupied by a medical office. The subject property was compliant with the terms of its Conditional Use Permit and all other zoning requirements.

At the December 1, 2015 Planning and Zoning Commission Meeting, the Commission held a public hearing on the proposed rezoning, and there were not comments by the public. The Commission voted to recommend rezoning parcel #800-12-026W, Page Eye Center (Stonefeather Enterprise, LLC), 420 North Navajo Drive from RM Multi-Family residential to CBD Central Business District (4-0).

Motion made by Councilor Sadler to introduce Ordinance 627-15 by title only for its second reading. The motion was duly seconded and passed upon a vote.

The City Clerk introduced Ordinance 627-15 by title only.

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, PROVIDING FOR THE REZONING OF PARCEL NO. 800-12-026W CONSISTING OF APPROXIMATELY 20,473 SQUARE FEET OF LOT AREA, GENERALLY LOCATED SOUTH OF NORTH NAVAJO DRIVE AND EAST OF 4TH AVENUE FROM A ZONING DESIGNATION OF RM, MULTI-FAMILY RESIDENTIAL TO THE ZONING DESIGNATION OF CBD, CENTRAL BUSINESS DISTRICT.

Motion made by Councilor Warner to adopt Ordinance 627-15. The motion was duly seconded and passed upon a vote.

NEW BUSINESS

Discussion and possible action by the City Council pertaining to accepting fiscal year 2015 Annual Financial Report as presented by HintonBurdick, PLLC, the auditors in the Comprehensive Annual Financial Report (CAFR)

Each year the City of Page undergoes an annual audit of its financial statements and the accounting firm of HintonBurdick, PLLC completed the task.

The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures of the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors have concluded that

Page City Council Regular Meeting- January 13, 2016

the City of Page's financial statement for fiscal year ending June 30, 2013, is fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

Mayor Diak introduced Finance Director Linda Watson.

Finance Director Linda Watson stated that Mike Spilker, partner with Hinton Burdick CPAs & Advisors was in attendance to present the FY 2015 Comprehensive Annual Financial Statement (CAFR).

Mike Spilker stated that the most significant changes are the financial reporting requirements for the pension plan, the Governmental Accounting Standards Board (GASB) requiring they be recognized as a liability on their new GASB Statement No. 68.

Mr. Spilker, gave a power point presentation for the Fiscal Year Ending June 30, 2015 Comprehensive Annual Financial Report (CAFR).

There was discussion.

Councilor Bryan thanked City Manager Crystal Dyches, Finance Director Linda Watson, and Staff for their involvement and betterment of the City's finances.

Motion made by Vice Mayor Kocjan to accept the Comprehensive Annual Financial Report for Fiscal Year 2015. The motion was duly seconded and passed upon a vote.

Discussion and possible action by the City Council pertaining to Page Utility Enterprise Rates, Fees and Charges-Resolution 1153-16

At the December 15, 2015, Page Utility Board Meeting, the Board held an annual Rate Hearing and considered the rates pursuant to Ordinance 588-12, Section 2-8-6 of the Page City Code. The Board then voted unanimously to recommend continuing the rates and fees charged for utilities without change.

Motion made by Vice Mayor Kocjan to introduce Resolution 1153-16 by title only. The motion was duly seconded and passed upon a vote.

The City Clerk introduced Resolution 1153-16 by title only.

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, ADOPTING THE RECOMMENDATIONS OF THE PAGE UTILITIES BOARD TO CONTINUE THE RATE, FEES, AND CHARGES OF SERVICES RENDERED BY PAGE UTILITY ENTERPRISES WITHOUT CHANGE.

Motion made by Vice Mayor Kocjan to adopt Resolution 1153-16. The motion was duly seconded.

Page City Council Regular Meeting- January 13, 2016

Vice Mayor Kocjan stated that in February 2016, Council will be addressing the sewer rate study and that may impact the rates later on in the year.

There was discussion.

The motion passed upon a vote.

Discussion and possible action by the City Council pertaining to an Arizona Department of Revenue Bingo License Application for Cancer Outreach, Inc.

The City Clerk's Office received an Arizona Department of Revenue Bingo License Application for Cancer Outreach, Inc. As required by Arizona Revised Statutes, the Public Hearing was held during an earlier portion of this meeting.

The Arizona Department of Revenue • Bingo Section will be notified of the action taken and will make the final determination.

Motion made by Councilor Bryan to approve the Arizona Department of Revenue Application for Bingo License for Cancer Outreach, Inc. The motion was duly seconded.

There was discussion.

The motion passed upon a vote.

Discussion and possible action by the City Council pertaining to the re-appointment of Assistant City Magistrate Judges to serve a two-year term with the Page Municipal Magistrate Court

The Page Magistrate Court utilizes Assistant Magistrate Judges to meet the 24/7 obligations of the Court. Currently, Angelo Santana, Bambi Brownell, Kevin Anderson, Michele Muskat, and Lehman Jim Burrow are serving by prior appointment of the Mayor and Council. The current term for the Assistant Magistrates ends on January 22, 2016 and needs to be renewed for a two-year term.

Motion made by Mayor Diak to reappoint Angelo Santana, Bambi Brownell, Kevin Anderson, Michelle Muskat, and Lehman Jim Burrow as Assistant Magistrate Judges for a two-year term ending January 22, 2018. The motion was duly seconded and passed upon a vote.

Discussion and possible action by the City Council pertaining to City Council acting as Board of Adjustment-Resolution 1154-16

At the December 16, 2015 City Council Work Session, Council desired to act as the Board of Adjustment for the City of Page, in part so that those affected by administrative zoning decisions could take their formal appeals to the elected legislative body of the City. The Planning and Zoning Ordinance (the "Zoning Code"), Section 2.2.2 provides

Page City Council Regular Meeting- January 13, 2016

for the City Council to act as the Board of Adjustment at their desire and the Council desired that such decision be made formally by resolution.

City Attorney Joe Estes presented the agenda item.

Motion made by Vice Mayor Kocjan to introduce Resolution 1154-16 by title only. The motion was duly seconded and passed upon a vote.

The City Clerk introduced Resolution 1154-16 by title only.

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, ESTABLISHING THE MAYOR AND COMMON COUNCIL AS THE ACTING BOARD OF ADJUSTMENT.

Motion made by Vice Mayor Kocjan to adopt Resolution 1154-16. The motion was duly seconded.

Councilor Sadler asked the City Attorney to explain why this was being presented.

City Attorney Joe Estes explained that the Board of Adjustment had not been a very active board and when a meeting was necessary, it was difficult to obtain a quorum. Also the Board of Adjustment is the final step in hearing appeals from zoning decisions, and the elected officials should be the Board of Adjustment, as allowed in the Zoning Code.

Mayor Diak stated that he had asked the City Clerk to poll the Clerks in Arizona to see how many cities/towns have City Council as their Board of Adjustments. The Clerk received 11 responses, 10 of which have a separate Board of Adjustment, and one where the City Council is the Board of Adjustment, with a note that the city was placing that item on their next agenda to form a separate Board of Adjustment.

There was discussion.

Community Development Director Kim Johnson was available to answer questions.

The motion passed four (4) to two (2) with Vice Mayor Kocjan, Councilors Tappan, Bryan, and Warner in favor and Mayor Diak and Councilor Sadler voting against.

Discussion and possible action by the City Council pertaining to the continuation of the Phinger Point Tower Lease Agreement

The Page Fire Department currently provides Fire and Medical services north on Highway 89 out to the Arizona state line and beyond. The repeater that is located on the Phinger Point Tower provides the Fire Department with radio coverage in this area. The system has shown to be a vital component in the Fire Department operations.

Page City Council Regular Meeting- January 13, 2016

There was discussion.

Captain Mike Wilkinson was present to answer questions and stated that the tower lease had a rate increase of 135%. Utah Land Trust had an increase, and the increase was passed on to its customers.

There was discussion.

Motion made by Councilor Warner to authorize the continuation of the Phinger Point Tower Lease Agreement for emergency fire and medical communications. The motion was duly seconded.

Discussion continued.

The motion passed upon a vote.

Discussion and possible action by the City Council pertaining to adopting 2016/2017 City Council Strategic Priorities-Resolution 1155-16

At the December 16, 2015 City Council Work Session, Council prioritized goals and objectives. The Strategic Plan communicates its priorities to City staff and the public. The City Council identified five (5) priority areas with 24 specific objectives.

There was discussion.

Motion made by Vice Mayor Kocjan to introduce Resolution 1155-16 by title only. The motion was duly seconded and passed upon a vote.

The City Clerk introduced Resolution 1155-16 by title only.

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, ADOPTING THE 2016/17 CITY COUNCIL PRIORITIES.

Motion made by Vice Mayor Kocjan to adopt Resolution 1155-16 adopting City Council priorities. The motion was duly seconded and passed upon a vote.

Discussion and possible action by the City Council pertaining to the creation of a Page Police Department Police Explorer Program

Presentation to the City Council for approval of a Memorandum of Understanding (MOU) between the Page Police Department and Learning for Life, for the creation of a Page Police Department Explorer Program. The program "Exploring" offers real-world experiences. The Exploring Learning for Life career education program is for young men and women who are at least 14 (and have completed the eighth grade) or 15 years of age, but not yet 21 years old. The "Exploring" purpose is to provide experiences to

Page City Council Regular Meeting- January 13, 2016

help young people mature and become responsible and caring adults. The result is a program of activities that helps youth pursue their special interests, grow and develop.

Police Chief Balkcom, Police Officer David Van Nostrand, and Garry Godbehere introduced the agenda item.

There was discussion.

Motion made by Councilor Warner to accept the MOU between the Page Police Department and the Learning for Life Career Exploring Program for the creation of a Page Police Department, Police Explorer Program.

BID AWARDS

Discussion and possible action by the City Council pertaining to an award of proposal for the City-wide Park Master Plan and a Park Master Plan for John C. Page Memorial Park

At the September 9, 2015 Regular City Council Meeting, Council authorized Staff and the Park and Recreation Advisory Board (PRAB) to solicit proposals for professional park master planning services to complete a City-wide Park Master Plan, including phasing. Subsequently, a Request for Proposals for a City-wide Park Master Plan and an individual Park Master Plan for the John C. Page Memorial Park was published and distributed in November.

A Subcommittee of the PRAB was formed to review the proposals. Six (6) proposals were received. The Subcommittee and Staff reviewed and scored the proposals. There was a clear division in budget, with three proposals in the \$61,000.00-\$74,000.00 range, one in the \$85,000.00 range and two in the \$96,000.00-\$100,000.00 range. The two top-scoring proposals were from Planet, with a budget of \$73,845.00, and Landmark Design, with a budget that ranged from \$61,085.00 to \$73,085.00 with survey options.

The top two firms were separated by less than 20 points. The top scorer, Planet, is based in Phoenix and the 2nd scorer, Landmark Designs, LLC, is based in Salt Lake City. Upon review and discussion, the Parks and Recreation Advisory Board was of the consensus that either firm would be a good fit, but there was a preference for the creativity and economic approach in the proposal by Planet. The Board also favored that Planet was based in Arizona, and had experience in the state.

At the January 2015 Parks and Recreation Advisory Board Meeting, the Board voted to recommend that the City Council authorize Staff to enter into a professional services agreement with Planet for Park Master Planning Services.

Kim Johnson Community Development Director presented the agenda item.

Page City Council Regular Meeting- January 13, 2016

There was lengthy discussion.

Motion made by Vice Mayor Kocjan to authorize Staff to enter into a professional services agreement with Planet, with a not to exceed budget of \$73,845.00 for a City-wide Park Master Plan, and a Park Master Plan for the John C. Page Memorial Park. The motion was duly seconded and passed upon a vote.

BUSINESS FROM THE MAYOR

None scheduled

BUSINESS FROM THE MANAGER

None scheduled

BUSINESS FROM THE CITY ATTORNEY

None scheduled

BUSINESS FROM THE COUNCIL

Discussion and possible action by the City Council pertaining to an appointment to the City Council to fill the vacancy created by the resignation of David Tennis

There is one vacancy on the City Council due to the resignation of David Tennis, effective December 31, 2015. Letters of interest were received from: David A. Pape, John R. Mayes, Larry D. Clark, Sr., Korey Seyler, and R.B. Ward.

In alphabetical order the candidates were asked and responded to the following questions:

- Mayor Diak asked - Why do you wish to fill the temporary vacancy on the Page City Council?
- Councilor Sadler asked - What is your one most important issue facing the City of Page?
- Councilor Bryan asked - Not all agree with Council actions and the direction Council is taking, what is your approach to people that do not agree with City Council?

Mayor Diak thanked all of the candidates for their interest in serving on the City Council.

Mayor Diak announced the results from the ballot vote as follows:

- John R. Mayes received two votes, one each from Vice Mayor Kocjan and Councilor Sadler
- David A. Pape received one vote from Councilor Bryan
- Korey Seyler received three votes, one each from Mayor Diak, Councilors Tappan and Warner

Councilor Tappan was excused at 8:35 p.m.

Page City Council Regular Meeting- January 13, 2016

Motion made by Mayor Diak to appoint Korey Seyler to fill the open seat on City Council with a term ending November 2016. The motion was duly seconded and passed upon a vote.

BOARDS & COMMISSIONS

Discussion by the City Council pertaining to reports by Board Liaisons

Vice Mayor Kocjan stated that Page Utility Enterprises was authorized by Salt River Project to invoice them for \$1.3 million, and the City will be in receipt of the check within a few days.

Discussion and possible action by the City Council pertaining to an appointment to the Library Advisory Board

There are three vacancies on the Library Advisory Board. An application requesting to be on the Board was received from Kai Scott.

Motion made by Mayor Diak to appoint Kai Scott to the Library Advisory Board with a term ending June 2018. The motion was duly seconded and passed upon a vote.

EXECUTIVE SESSION

Pursuant to ARS § 38-431.03 (A) (1) Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions, an officer, appointee or employee may demand that such discussion or consideration occur at a public meeting. The public body shall provide the officer, appointee or employee with such notice of the executive session as is appropriate but not less than twenty-four hours for the officer, appointee or employee to determine whether such discussion or consideration should occur at a public meeting.

City Attorney Applicants: Joshua Smith, Dave Erlichman, Gary Grynkewich, Michael Johnson, Colleen Auer

Motion made by Councilor Sadler to enter into executive session at 8:45 p.m. The motion was duly seconded.

Korey Seyler was invited to attend Executive Session.

The motion was passed upon a vote.

Mayor Diak reconvened the Regular City Council Meeting at 9:23 p.m.

DEPARTMENTS

None scheduled

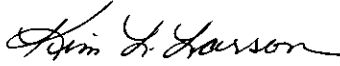
Page City Council Regular Meeting- January 13, 2016

CLAIMS

None scheduled

ADJOURN

The meeting was adjourned at 9:24 p.m.



Kim L. Larson
City Clerk

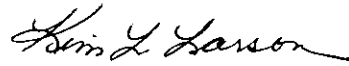


William R. Diak
Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Regular Meeting, held on the 13th day of January, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of January, 2016

A handwritten signature in cursive script, reading "Kim L. Larson", positioned above a horizontal line.

Kim Larson, City Clerk