



**TAYLOR TOWN COUNCIL  
REGULAR MEETING MINUTES**

**Thursday April 2, 2020 7:00 pm**

**Town Hall**

425 Papermill Road  
Taylor, Arizona

**Mayor**  
David Smith  
**Vice-Mayor**  
Jason Brubaker  
**Council Members**  
Bill Baldwin  
Sherry Cosper  
Fay Hatch  
Shawn Palmer  
Kyle Peck

**NOTICE:** As a precautionary measure and in accordance with the federal recommendations the meeting is closed to in-person participation by the public. An audio connection will be available with links on the town's Facebook page and at [www.tayloraz.org](http://www.tayloraz.org). Residents who wish to provide public comment can submit their comment via email to the Town Clerk at [geri@tayloraz.org](mailto:geri@tayloraz.org) or by calling the number provided on the Town's website, no later than 5:00 pm April 2, 2020. Any slides presented to Council during the meeting will be uploaded to the Town's website prior to the meeting.

**CALL TO ORDER:** Mayor Smith called the meeting to order at 7:00pm  
**COUNCIL PRESENT:** Mayor David Smith, Vice Mayor Jason Brubaker, Council Members Bill Baldwin, Sherry Cosper, Fay Hatch, Kyle Peck, Shawn Palmer (7:10)  
**STAFF PRESENT:** Manager Gus Lundberg, Planning Administrator Allen Davis, and Clerk Geri Judd  
**PLEDGE OF ALLEGIANCE:** Led by Councilman Hatch  
**INVOCATION:** Offered by Vice Mayor Brubaker

**CONSENT AGENDA**

- A. Approve Council Meeting minutes of March 5, 2020
- B. Approve March 2020 Check Register

**A motion was made by Councilman Baldwin to approve the consent agenda as presented; seconded by Councilman Peck; motion carried 6-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**DISCUSSION/ACTION ITEMS**

**1. Consideration and Action of Proclamation Regarding COVID-19**

Mayor David Smith read a proclamation regarding COVID-19

Gus added that the proclamation allows the Mayor and Council to act upon during the emergency.

**A motion was made by Vice Mayor Brubaker to approve the Proclamation Regarding COVID-19; seconded by Councilman Peck; motion carried 6-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**2. Public Hearing Regarding Ordinance O2020-01 Amending Title 18, Chapter 85, Entitled Definitions**

Mayor David Smith opened the public hearing; receiving no public comment the hearing was closed.

Gus explained that this ordinance gives definition to medical marijuana and industrial hemp separately.

**3. Consideration and Action of Second Reading and Approval of Ordinance O2020-01 Amending Title 18, Chapter 85, Entitled Definitions**

Allen Davis, Planning & Zoning Administrator said the ordinance took a single definition and separated it regarding medical marijuana based on THC content and industrial hemp separately.

Mayor Smith read ordinance O2020-01

**A motion was made by Councilman Baldwin to approve Ordinance O2020-01 Amending Title 18, Chapter 85, Entitled Definitions; seconded by Councilman Palmer; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**4. Public Hearing Regarding Alternative Expenditure Limitation (Home Rule)**

Mayor David Smith opened the public hearing; receiving no public comment the hearing was closed.

Gus said the expenditure limitation permits the Town Council to establish the budget for the next four years; if the expenditure limitation fails, the town would be required to use 1979-1980 values based on population, drastically limiting services provided by the town.

**5. Consideration and Action of Resolution R2020-02 Proposing an Extension of the Alternative Expenditure Limitation (Home Rule) and Submitting to Voters at the Primary Election August 4, 2020**

Manager Gus Lundberg said calculations are being submitted to the State Auditor for review, and then will be made available to the public before the August election.

**A motion was made by Mayor Smith to approve Resolution R2020-02 Proposing an Extension of the Alternative Expenditure Limitation (Home Rule) and submitting to voters at the Primary Election August 4, 2020; seconded by Councilman Hatch; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**6. Consideration and Action of Bid Award to Hatch Construction for 700 West Paving & Sidewalk Installation**

Manager Gus Lundberg said progress is being made on the Airport Wash flood mitigation project; town crews have installed a 42-inch culvert on the East side of the road.

There will be a 2-inch asphalt overlay as well as 4-foot sidewalks on both side of the road from Center Street to Papermill Road; there was a decrease in sidewalk material, lowering the bid. Bids were received and staff recommends awarding the \$222,000 bid to Hatch Construction.

**A motion was made by Vice Mayor Brubaker to award Hatch Construction the contract for the 700 West paving & sidewalk installation; seconded by Councilman Baldwin; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**7. Consideration and Action of Town Celebration Event Schedule**

Manager Gus Lundberg said he has been in contact with Brad Click regarding Trapper Days; with the COVID-19 pandemic, the town may need to adjust the Veterans Memorial program since those attending are in a high-risk group.

Vice Mayor Brubaker said the Veterans Memorial is a large part of the event and those that attend could be at risk. Councilman Hatch says the time is now to send assignments for Trapper Days and the July 4<sup>th</sup> Celebration. Councilman Peck said the health of the public should be considered. Councilman Palmer said to give it 30 days and look into it again.

Trapper Days will be postponed. Next month Council will make a decision on the Rodeo.

Mayor Smith asked about a reservation made for a junior rodeo; the committee said there would be no spectators in the stands, only those participating and some family members. Council discussed letting the participants decide on having the event. Gus mentioned that there are shared restroom facilities.

Comments from Facebook were to have a combined event later in the year. Council asked Gus to contact the County Health Department for feedback.

**8. Consideration, Approval and Action on staff recommended action plan for development of Business Park and accomplishment of floodplain mitigation efforts, to be implemented upon closing on the sale of the Business Park**

Manager Gus Lundberg gave a recap of the nine items discussed and recommended by the town attorney at the January meeting and was previously reported in January and February.

1. **Report back to Council on ADEQ approval of water & sewer lines:** Gus said infrastructure was not a condition of purchase; estimated \$10,000 for inspection and engineering to submit for approval to ADEQ; roughly 4,000 feet of 8" sewer line and 2,000 feet 8" of water line; service connections stubs off main lines; lines were pressure tested and manholes inspected; ADEQ has approved discharge and construct of sewer lines; waterline approval to construct has been received from ADEQ, waiting on approval to use.
2. **Staff directed to an obtain independent appraisal:** KS Appraisal out of Mesa was \$900,000
3. **Negotiate price based on the appraisal, if necessary:** no direction to renegotiate
4. **Confirm that Seller of the property (Jason Hatch or an entity created by Jason Hatch) is the legal owner of the property and has the power to sell the property:** Legal owner is Hatch Development LLC.
5. **Staff to report on economic impact to businesses in the area:** mitigate flood control issues and eliminate flood issues with this property and others downstream.
6. **Estimate flood insurance costs to businesses and residents and amount of reduction if floodplain mitigation plan is implemented:** covered during Mr. Toy's presentation; State does not give values as to what property owners pay; insurance is paid for many years and these efforts will save those costs.
7. **Staff to come back with plan for floodplain mitigation efforts:** developing two detention basins and downstream channels; accomplished with FEMA grant.
8. **Staff to come back with floodplain mitigation plan confirming grant from FEMA and Town matching funds and in-kind resources, at no additional cost to town:** FEMA grant was applied for October 2017 before property purchase was discussed; the town is not obtaining grant funds to purchase property.
9. **Commission a study to identify development options to be implemented by developers:** staff looking into plans to maximize future development plans.

Town Attorney said Gus has answered questions; recommends tabling and coming back to this item after items 9 & 10 are addressed.

**A motion was made by Mayor Smith to table item #8; seconded by Councilman Palmer; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**A motion was made by Mayor Smith to approve the staff recommended action plan for development of the Business Park and accomplishments of floodplain mitigation efforts to be implemented upon closing of the Business Park assuming all 9 items are met; seconded by Councilman Baldwin; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

9. **Consideration and Action on Lease Purchase Agreement with Zions Bank Corp.** The lease purchase agreement will have a fifteen year term and will provide financing for the purchase of the Business Park (See agenda item #10)

Manager Gus Lundberg said he has been in contact with Zions Bank regarding the lease purchase agreement; a resolution was approved by Council in 2019 acknowledging that the town has expended funds and could repay those funds to the from the loan. Gus said there are reserve funds in place, however, he recommends borrowing the remaining \$460,000; Gus would secure the loan documents in May with an interest rate just over 3% and no prepayment penalty. Mayor Smith said there is not much savings between a 10 and 15-year loan. Gust Rosenfeld will assist with the finance documents to enter into the lease purchase agreement.

Gus said the annual loan interest and principal payment is approximately \$39,000; in the next year or two when the flood mitigation project is complete, utility lines could be active and lots sold; proceeds from the sold lots would be put toward the loan payment; Gus added that the area could be platted for lot development for future sales. Council addressed concerns that citizens had regarding town services; this expense is bringing in an asset and the current businesses will be supplied services they need.

**A motion made by Mayor Smith to table item #9; seconded by Councilman Baldwin; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**A motion was made by Councilman Peck to approve the lease purchase agreement with Zions Bank and authorize Town Manager, Gus Lundberg the ability to complete the transaction; seconded by Councilman Palmer; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**10. Consideration and Action on Amended Purchase Agreement for Business Park and Authorization to Close.** The amendment will include conditions that must be satisfied in order to close on the Business Park no sooner than thirty days from the date of this meeting.

Attorney Bill Sims said the 2018 purchase agreement requires a 30-day period; this item will amend that and will at that time be able to close.

Manager Gus Lundberg addressed some concerns from Richard Franco and others through Facebook

1. Why did prior owner not get ADEQ approval or the town require them to do so; Gus said the developer was supposed to have ADEQ approval and did not; Gus understood this needed obtained he has no answer as to why the owners did not get it. Gus said he knew the lines had been in use and he was confident that doing the proper procedures would need done. Gus wanted to find a solution for the floodplain and have a successful development. Mayor Smith added that the infrastructure was not part of the appraisal.
2. How many acres will be lost; Gus said there is an estimated 20 acres with detention basins included Gus said there is a deadline to have this project started and have flood control in place.
3. Mr. Richard Franco said it is not necessary for the town to own the land to get the floodplain in place; costs the town incurred such as ADEQ approval; tax free transaction to the seller; concerns on current economy. Gus asked about tax free sale; Mr. Franco said when sale was done stamp was tax exempt; Attorney Bill Sims said the town doesn't pay tax on recorded deeds; Gus said the town is exempt and doesn't pay Navajo County recording fees; Attorney Bill Sims agreed.
4. Jason Hatch stated the appraisal was done; and that he does have to pay taxes from the sale of the land; ownership of the property is that he has owned it since 2006 the water, sewer and gas lines were paid for by Mr. Hatch.
5. Vice Mayor Brubaker addressed Mr. Franco's concerns.
6. Mr. Franco made comment that the town paid for the infrastructure; Gus said it was the developers responsibility to install and that Hatch would install a road outside the development from Pinedale Road to HWY 77; the payments to Hatch at that time were for the road; and asked if Mr. Franco has documents showing the town paid for infrastructure. Mr. Hatch said what Gus said is correct and the town had an agreement with him to pave from Pinedale Road to HWY 77, which was paid to Hatch Construction for cost; Mr. Hatch said he paid the costs for the infrastructure.
7. Mr. Sims added that Mr. Franco is correct you do not need to own the land to accomplish flood mitigation; however, it is a development opportunity for the town and therefore would need to own.

**Following Council and public discussion and the update by Manager Gus Lundberg; a motion was made by Mayor Smith to table item #10; seconded by Councilman Hatch; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**A motion was made by Vice Mayor Brubaker to move back to item #8 Approval and Action on staff recommended action plan for development of Business Park and accomplishment of floodplain mitigation efforts, to be implemented upon closing on the sale of the Business Park; seconded by Mayor Smith; motion carried 7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

**A motion was made by Mayor Smith to approve the amended purchase agreement for business park and authorization to close, the amendment will include conditions that must be satisfied to close on the business park no sooner than 30 days from the date of this meeting; seconded by Councilman Palmer; motion carried**

**7-0 with Mayor Smith, Vice Mayor Brubaker and Council Members Baldwin, Cosper, Hatch, Palmer and Peck voting in favor.**

Councilman Hatch said he is anxious for this to close and this has been a problem for years; those opposed to the purchase came up with nine items and all nine items have been addressed by the town; in the beginning hopeful to do a good thing getting residents off the floodplain and have a business park for future businesses are good for the town otherwise they will go elsewhere; town will manage this and make it a good thing; Thomas Jefferson made Louisiana Purchase which turned out to be a good thing and hope this will be good for the town.

Mayor Smith said this has been ongoing for a year and been a struggle; the town has been honest with all deals and moving forward thanks Council on how this has been handled; the business park is good for the Town of Taylor and look forward to moving on.

Gus said this has been a heated topic and dealt with for months now; it has been construed that the town was choosing sides - that has never been the case; this has been with the best interest of the town; things are being done right and this will be successful.

**11. Summary of Current Events:**

Council Members: Councilman Peck will be moving forward with ADOT on permit to cross road with anvil  
Councilman Palmer thanked Gus and Mayor for team cleaning up Main Street

Town Manager; Gus reported starting Monday there will be new schedules for town employees due to COVID employees that can will work from home; Public Works crews will work in pairs to be sure services are taken care of. Emergency services are taking precautions, appreciate, and acknowledge them.

**12. Adjournment:** There being no further business Mayor Smith adjourned the meeting 9:13pm

***Certification of Minutes:***

I hereby certify that the foregoing minutes are a true and correct copy of the Taylor Town Council meeting held on the 2nd day of April 2020. I further certify that the meeting was duly called to order and that a quorum was present.

Dated this 2nd day of April 2020

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Geri Judd-Town Clerk