

Meeting Minutes

Board of Directors of the Red Rock Road Enhancement Maintenance District

April 21, 2015 – 2:00 p.m. at

Village Of Oak Creek Community Center, 690 Bell Rock Boulevard, Sedona, Arizona

District Board Meeting Guidelines: The meeting will be held in accordance with A.R.S. Title 38 Open Meeting Laws. Board and attendees participation shall be civil and courteous. Any disruptive behavior could result in removal from the meeting. Comments and questions from the public shall be called upon by the Board Chairman, and shall begin with stating and spelling of the speaker's name and address. All comments and questions shall be directed to the Board Chairperson. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting Jennifer Bartos, Improvement District Services, Inc. at (928) 443-9484. Requests should be made as early as possible to allow time to arrange the accommodation. Requests for copies of Board Meeting minutes or other District documents, inquiries, or complaints should be submitted in writing to: Improvement District Services, Inc., 1965 Commerce Center Circle, Suite A, Prescott, AZ 86301.

1. Call to Order – Dave Norton, Mark Mumaw, Paul Gazda, Joanne Johnson and Ruth Kane present.

Also present and participating in the meeting: Jennifer Bartos, District Clerk/Administrator and Diana King, Administrator, Improvement District Services, Inc.; Tom Graham, Chairman of the All American Road Committee.

2. Discussion and possible action to hire Steve Fiedler as the District' field consultant.
It was agreed upon by the Board that their expectations of the routine service provided by Mr. Fiedler would be to walk the property twice per quarter, produce and submit a report before each quarterly meeting and a status report midterm, limit the hours to four hours per quarter at a rate of \$50.00 per hour, totaling \$200 per quarter, emergencies or special callouts shall be paid over and above that amount.
Motion: made by Vice-Chairman Mumaw to enter into an agreement with Steve Fiedler for an amount not to exceed \$250.00 per quarter for a twice per quarter inspection and report, second by Director Johnson.
Motion died for lack of a vote
Motion: made by Director Gazda to enter into an agreement with Steve Fiedler for an amount not to exceed \$200.00 per quarter for a twice per quarter inspection and report, second by Director Johnson.
Unanimous Approval
3. Discussion and possible action regarding plaques.
Chairman Norton said the idea is to install historical information on plaques on the District's benches. He asked Tom Graham if The All American Road Committee may participate in this project. Chairman Norton said donations should be collected for the cost of production and installation. Director Kane will talk to her contact that has the ability to write the historical information. Director Kane was asked to report back at the next meeting.
No action taken
4. Discussion and possible action regarding ongoing ADOT issues, to include:
 - a. Drainage issue in front of the John of God;
Jennifer was asked to send a request to Vern Dumbeck with ADOT for the current status.
 - b. Spill cleanup by ABC Supply.
Jennifer told the Board that she had been in contact with ABC Supply and they felt the spill had been cleaned up. Chairman Norton noted several places where material and debris remain.
Director Gazda will take some pictures of the remaining issues. Jennifer was asked to contact ABC Supply, send the photos and confirm the enforcement of the April 30th deadline date.
No action taken
5. Discussion and possible action regarding the field reports from Green Earth.
The Board noted that Green Earth was to have provided information regarding the lids for the trash cans. Director Gazda requested that weekly trash pickup be included in the monthly report. The Board confirmed that they expect Dave Grondin to attend every quarterly Board meeting. Director Gazda said he observed Green Earth spraying on a Wednesday and not on Tuesday or a Thursday as stated in the March 13 meeting, also there was no signage. Jennifer was asked to include in the agenda packets copies of Green Earth invoices that have charges over and above routine services.
It was noted that after the electrical repair work, provided by ADOT near the Chevron propane tank, was completed the 6 or 8 plants that were replaced have died. Jennifer was asked to contact ADOT to have the plants replaced.

No action taken

6. Discussion and possible action regarding the contract for landscaping services with Green Earth, expiring June 2015.
Motion: made by Vice-Chairman Mumaw to offer Green Earth a renewal of the existing contract for an additional two years under the same terms, second by Director Johnson.
Vote: Norton Abstained / Mumaw, Johnson and Kane voted Yes / Gazda voted No
Therefore the motion passed by majority.
7. Discussion and possible action regarding a pilot project proposal to install weed barrier in a segment of the RRREMD, and possible grant sources to help fund the pilot project.
Director Gazda presented the Board with a PowerPoint program. It was confirmed by the remaining Board Members to not place the report on the District webpages because it is not a District or Board approved document. He said he could make the report available to anyone interested. Tom Graham said that if the City of Sedona is going to retrofit a similar project then maybe the District should wait to see how their program works.
No action taken
8. Discussion and possible action regarding the FY 2015/2016 Budget, if appropriate adopt the tentative budget and set the hearing date and time.
The budget and the capital fund balance were reviewed. The current insurance policies were discussed and it was decided to budget \$6,000 for the annual insurance premium to include a \$4,000,000 umbrella policy. It was determined that a reasonable capital fund balance should be maintained around \$50,000.00 each year, along with \$15,000 set aside for self-insurance to cover potential deductibles and repair of items not covered in the current policies. Vice-Chairman Mumaw noted that at the current tax rate, the capital fund balance would fall below that balance.
Motion: made by Vice-Chairman Mumaw to increase ad valorem from \$85,000 to \$90,000, second by Director Johnson.
Unanimous Approval
Motion: made by Director Johnson to adopt the tentative budget and set the hearing date and time for May 19, 2015, at 2:00 p.m., second by Director Kane
Unanimous Approval
9. Discussion and possible action regarding the Administrative Services Staff Report from Jennifer Bartos of Improvement District Services, Inc. regarding staff activities, District financials and direction to the Clerk for future agenda items to include:
 - a. Request by Paul Gazda for historical research.
The District's financials were reviewed.
Director Gazda said he had requested an old contract document from 2013. Jennifer and Diana explained that going back through stored files to find an obsolete document would be considered historical research which requires additional I.D.S. hours and must be preapproved by the Board. Chairman Norton suggested that Director Gazda go to the I.D.S. office and sort through the old files.
No action taken.
10. Approve meeting minutes of January 20, 2015.
Modifications to minutes: Remove ABC supply note on under item #6; item #7, last sentence "where there is existing irrigation and plants are missing"; item #5 correct spelling " McClellan".
Motion: made by Vice-Chairman Mumaw to approve the minutes as amended, second by Director Johnson
Unanimous Approval
11. Approve warrants written in January, February and March 2015.
Motion: made by Vice-Chairman Mumaw to approve the warrants, second by Director Kane
Unanimous Approval

Public Comment Period: The public will be given the opportunity to comment to the Board of Directors on non-agenda item issues pertaining to the District. This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Two minutes will be allowed for each speaker.
No public comment

**Red Rock Road Enhancement Maintenance District
Fiscal Year 2015/2016 Tentative Budget**

Exhibit A

| <u>EXPENSE</u> | <u>FY 14/15 Budget</u> | <u>Actual as of 3/31/2015</u> | <u>12-month Estimate</u> | <u>FY 15/16 Budget</u> |
|-----------------------------|-----------------------------------|--|-------------------------------------|-----------------------------------|
| Administrative Services | \$6,300 | \$4,120 | \$6,180 | \$6,372 |
| Additional Admin Svcs. | 0 | 0 | 1,000 | 300 |
| Attorney Services | 5,000 | 115 | 115 | 5,000 |
| Bank Charges | 0 | 0 | 25 | 25 |
| County Backbill - Elections | 7,500 | 9,563 | 9,563 | 0 |
| Fees & Registration | 450 | 0 | 450 | 450 |
| Insurance | 1,600 | 450 | 6,000 | 6,000 |
| Self insured | 15,000 | 0 | 15,000 | 15,000 |
| Office Supplies | 250 | 0 | 0 | 250 |
| Postage | 2,000 | 0 | 0 | 0 |
| Printing | 500 | 0 | 0 | 0 |
| Professional Services | 2,300 | 0 | 2,300 | 2,300 |
| Publishing | 550 | 213 | 550 | 550 |
| Director's Compensation | 1,875 | 1,425 | 2,625 | 1,875 |
| Landscape Maintenance: | | | | |
| Monthly Maintenance | 63,000 | 45,000 | 60,000 | 60,000 |
| Backflow Testing | 0 | 117 | 117 | 150 |
| Landscape Supplies | 5,000 | 0 | 1,000 | 5,000 |
| Repairs & Replacement | 0 | 1,683 | 1,683 | 5,000 |
| Lighting Maintenance | 2,500 | 75 | 125 | 2,500 |
| Timers | 0 | 300 | 300 | 300 |
| Contracted Services | 2,000 | 75 | 1,500 | 3,000 |
| Blue Stake | | 225 | 350 | 500 |
| Electricity | 2,500 | 1,220 | 2,252 | 3,200 |
| Water | 3,000 | 1,600 | 2,560 | 3,000 |
| Emergency Maintenance | 2,000 | 735 | 1,500 | 2,000 |
| Capital Replacement | 68,115 | 0 | 0 | 54,837 |
| <i>subtotal</i> | \$191,440 | \$66,916 | \$115,195 | \$177,609 |
| Contingency | 19,144 | 75 | 4,828 | 17,762 |
| Total Expenses | \$210,584 | \$66,991 | \$120,023 | \$195,371 |

| <u>REVENUE</u> | <u>FY 14/15 Budget</u> | <u>Actual as of 3/31/2015</u> | <u>12-month Estimate</u> | <u>FY 15/16 Budget</u> |
|-----------------------|-----------------------------------|--|-------------------------------------|-----------------------------------|
| Ad Valorem Tax | 85,000 | 60,472 | 85,000 | 90,000 |
| Interest | 800 | 442 | 600 | 600 |
| Total Revenue | 85,800 | 60,914 | 85,600 | 90,600 |