

# **Red Rock Road Enhancement Maintenance District (RRREMD)**

## **Board Meeting**

**June 15, 2016 at 2:00 p.m.**

**Sedona Fire Station #3**

**125 Slide Rock, 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 participating shall be civil and courteous. Any disruptive behavior could result in removal from this meeting. Comments and questions from the public shall be called upon by Board Chairman, and begin with stating and spelling of the speakers name and address. All comments and questions will be directed to Board chairperson. Persons with disabilities 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 for the accommodation. Requests for copies of board meetings or other district documents and queries or complaints shall be submitted in writing to Improvement District Services, Inc., 1965 Commerce Center Circle, Suite A, Prescott, AZ 86301*

RRREMD Board members present are Chairman Mark Mumaw, Vice-Chair Dave Norton, Joanne Johnson, Ruth Kane, and Paul Gazda.

Present from Improvement District Services, Inc. (IDS) are Diane King, District Administrator and Jennifer Bartos, District Clerk/Administrator. Recording secretary, Mike Mangham present. Dave Grondin from Green Earth present.

Immediately prior to meeting, Jennifer Bartos announced and apologized that not enough copies of the agenda were made.

1. **Call to Order** by Chairman Mark Mumaw at 2:02 p.m. All Directors are present, quorum present. Reading of preamble.

Comment from Jennifer Bartos that Preamble will be published on website.

### **Open Public Hearing on the Fiscal Year 2016/2017 Budget**

Tentative budget was approved at the April 19, 2016 Board meeting.

### **Close hearing on Budget for Fiscal Year 2016-2017 Budget**

Convene into special meeting.

2. **Adoption of Fiscal Year 2016/2017 Final Budget and Adoption of Resolution No. 2016-1:**

See Exhibit A

**Motion** to adopt budget by Joanne Johnson. **Second** by Dave Norton with correction to line item and 26 numbering.

Public comment from Barb Gordon: Agenda does not contain reasonable information for the public.

**Motion passes unanimously.**

3. **Field Reports from Green Earth** by Dave Grondin.

No action needed regarding field report.

**Motion** made by Joanne Johnson to move agenda item 9 forward to include Dave Grondin in discussion. **Second** by Ruth Kane. **Motion passes unanimously.**

Discussion followed regarding trees located north of Circle K.

Decision made to Inform ADOT, by letter, that RRREMD prefers not to remove any trees, to explore alternative access, provide photos and identify trees, and if changes are made to existing area, damages to landscape be restored by property owner.

Public comment from Barb Gordon: Agenda does not contain enough information for public to be reasonably informed. Barb requested information as to receiving packet.

Cathy Gazda: Requested packet.

Chairman Mumaw stated that a procedure regarding packets will be discussed.

Melissa Andrea: Requested copies of agenda be available.

**Motion** by Vice Chair Dave to send letter to ADOT. **Second** by Joanne Johnson. **Approved unanimously.**

4. **Approval of newspaper publication of the Article approved by the Board in October 2015.**

Discussion followed regarding purchasing space in the newspaper to publish article approved by the Board in October 2015 to inform public.

Public Comment from Ellen Kamerling: Did not understand controversy.

Gail, from the Villager, spoke and is aware of conversations but is still seeking facts before publishing articles.

Director Ruth Kane stated that funds are not available for the weed-barrier project.

Public comment from Cathy Gazda: States disagreement on items in Chairman Mumaw's article.

Public comment from Melissa Andrea: Disagrees with cost of publishing article.

Public comment from Barb Gordon: Disagrees with spending money on article.

Public comment from Cheryl Harter: Comment on accuracy of articles. Approves of a tax increase for non-toxic weed barrier.

Paul requested to present response to article, stating inaccuracies in the article.

**Motion** to approve publication the article by Joanne Johnson, **second** by Chairman Mumaw.

Chairman Mumaw suggests Paul present his response to article.

Paul Gazda presented article.

See Exhibit B.

Chairman Mumaw responded RRREMD does not do scientific studies involved in pilot projects.

Chairman Mumaw stands by his research, ADOT response, 30 years of experience by Dave Grondin of Green Earth, and assessment of Cost of Lost Opportunity and long term costs.

**3 yes votes, 1 abstain** by Vice Chairman Dave Norton, **1 no vote** by Paul Gazda.

5. **Meeting Date**

**Motion** made by Joanne Johnson to cancel July meeting and meet September 21, 2016. Future meeting date to be established at that time.

Jennifer Bartos stated that additional travel costs from I.D.S. would apply unless RRREMD meeting follows Big Park meeting.

Motion **seconded** by Ruth Kane, **4 yes votes, 1 no vote** by Paul Gazda. Change of meeting date **approved**.

6. **Policy on communication with Attorney**, proposed by Paul Gazda.

Policy proposal presented.

Discussion followed.

Chairman Mumaw suggested the proposal be re-drafted and discussed at the next meeting.

**Move to table** by Paul Gazda. **Second** by Vice-chair Dave Norton. **Unanimously approved**.

7. **Action regarding RRREMD Website.** Chairman Mumaw suggests general requirements and content:

- Minutes will not be published until approved by the Board.
- Agenda packets will not be posted to the website.
- Agenda must be approved by the Chair and Vice-chair prior to posting.

Vice-chair Dave Norton suggested more description on agenda items to inform public.

Public comment from Barb Gordon: Suggested establishing policy on publishing packet.

Public comment from Melissa Andrea: Agrees agendas need more clarity on nature of items.

Vice-chair Dave Norton will post audio recording with google drive link on the I.D.S. website. Public

Comment from Cathy Gazda: Suggestions offered for articles on the website.

Paul Gazda requested his articles be published on the I.D.S./RRREMD website.

Public comment from Barb Gordon: Not enough information for public to comment.

**Motion** made by Paul Gazda to post his articles on the I.D.S. website. **No second** was made to the motion. **Motion fails.**

8. **Public Participation Form.** No action required.

9. **Previously discussed with Agenda Item 3.**

10. **Approve minutes from meeting of April 19, 2016.** **Motion** made by Ruth Kane to approve Minutes from April 19, 2016 meeting. **Second** by Joanne Johnson. **Approved** with 4 yes votes, one no vote by Paul Gazda.

11. **Approve Warrants written in April and May.** **Motion** to approve Warrants made by Joanne Johnson, **second** by Ruth Kane. **Unanimously passed.**

*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 comment will be limited to directing staff to study the matter, for further consideration and decision at a later time. Two minutes allowed for each speaker.*

Exhibit A:

**RESOLUTION NO. 2016-1**

A RESOLUTION OF THE RED ROCK ROAD ENHANCEMENT MAINTENANCE DISTRICT, YAVAPAI COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2016/2017.

WHEREAS, the Board of Directors of the Red Rock Road Enhancement Maintenance District is authorized pursuant to A.R.S. § 42-17101 to adopt a fiscal year budget; and

WHEREAS, the Board of Directors of the District set the date and the time for a public hearing and special meeting to adopt the budget for June 15, 2016 at 2:00 p.m.; and

WHEREAS, in accordance with A.R.S. § 42-17103, the estimates and notice of the public hearing were published twice in a paper of general circulation; and

WHEREAS, a public hearing was held on June 15, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED ROCK ROAD ENHANCEMENT MAINTENANCE DISTRICT, AS FOLLOWS:

THAT, the District hereby adopts the budget for Fiscal Year 2016/2017 attached hereto as Exhibit "A"; and

THAT, the budget shall be effective on July 1, 2016 and submitted to the Board of Supervisors.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE RED ROCK ROAD ENHANCEMENT MAINTENANCE DISTRICT, Yavapai County, Arizona this 15<sup>th</sup> day of June, 2016.

Mark Mumaw, Chairperson

Red Rock Road Enhancement Maintenance District

ATTEST:

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Jennifer J. Bartos, Clerk of the Board

Red Rock Road Enhancement Maintenance District

<b>Red Rock Road Enhancement Maintenance District</b>				
<b>Fiscal Year 2016/2017 Tentative Budget</b>				
	Exhibit A			
<b>EXPENSE</b>	FY 15/16	Actual as of	12-month	FY 16/17
	<u>Budget</u>	<u>4/13/2016</u>	<u>Estimate</u>	<u>Budget</u>
Administrative Services	\$6,372	\$4,790	\$6,386.67	\$6,564
Additional Admin Svcs.	300	49	244	650
Attorney Services	5,000	670	1,004	5,000
Bank Charges	25	0	0	25
Elections	0	0	0	11,000
Fees & Registration	450	251	701	450
Insurance	6,000	2,450	6,000	6,000
Self insured	15,000	0	15,000	15,000
Office Supplies	250	0	0	250
Postage	0	0	0	3,500
Professional Services	2,300	0	450	2,300
Publishing	550	0	450	1,000
Director's Compensation	1,875	1,125	2,250	2,250
Landscape Maintenance:				
Monthly Maintenance	60,000	45,000	60,000	60,000
Backflow Testing	150	0	150	150
Landscape Supplies	5,000	0	0	5,000
Repairs & Replacement	5,000	1,225	1,837	5,000
Lighting Maintenance	2,500	0	0	2,500
Timers	300	225	338	300
Contracted Services	3,000	0	0	1,500
Blue Stake	500	300	450	500
Electricity	3,200	1,410	2,417	3,200
Water	3,000	1,322	2,266	3,000
Website	0	0	0	1,500
Recording Services	0	0	0	750
Emergency Maintenance	2,000	0	0	2,000
Capital Replacement		<u>0</u>	<u>0</u>	
subtotal	<u>54,837</u> <u>\$177,609</u> <u>17,762</u>	\$58,816	\$99,944	<u>53,475</u> <u>\$192,864</u>
Contingency		<u>33</u>		
Total Expenses	\$195,371	\$58,849	<u>4,113</u> <u>\$104,057</u>	<u>17,762</u> <u>\$210,626</u>
<b>REVENUE</b>	FY 15/16	Actual as of	12-month	FY 16/17
	<u>Budget</u>		<u>Estimate</u>	<u>Budget</u>
Ad Valorem Tax	90,000		90,000	90,000

Exhibit B:

Response to Oct 13, 2015 article approved by RRREMD Board for local newspapers

By Paul Gazda, June 13, 2016

The following is the article approved by RRREMD Board for local newspapers (with myself as the dissenting vote) with my comments where I believe there is inaccurate or misleading information.

A red number indicates a point in the article on which I am commenting.  
Yellow highlighted text is my comment.

RRREMD BOARD STUDY: <sup>1</sup>

1. The study is not an official Board study, it is a study by Board member Mark Mumaw presented to the Board at its October 2015 meeting.

The presentation was not identified on the agenda, which is an apparent violation of open meeting law requiring agendas to have "information ... reasonably necessary to inform the public of matters to be discussed or decided." (A.R.S 38-431.09).

RRREMD Board never voted to request or approve the study.

As the only person on the Board with expertise in the dual layer weed barrier system, I was not consulted regarding the study.

"WEED BARRIER NOT COST EFFECTIVE AND WILL DOUBLE TAXES OVER FOUR YEARS!"

A study conducted by the Board <sup>2</sup> of the Red Rock Road Enhancement Maintenance District (RRREMD) concludes that

2. The study was not conducted by "the Board" as I point out in my previous comments.

- There will be no cost savings resulting from an installation of a double-weed barrier <sup>3</sup> along SR 179;

3. Mr. Mumaw's study is based on the inferior performance of standard weed barrier and plastic, and cannot be used to say there will be no cost savings from my proposed dual layer weed barrier system.

My proposed dual layer weed barrier system uses a geotextile fabric and black plastic applied in a specific way to prevent weeds while allowing water and nutrients to reach plant roots. It does not use standard weed barrier.

Mr. Mumaw's maintenance cost savings assume deterioration of weed barrier after 10 years. My dual layer weed barrier system field trial is in its 18<sup>th</sup> year and shows no deterioration or loss of effectiveness. Sedona's dual layer weed barrier system on Hwy 179 is in its 7<sup>th</sup> year and shows no loss of effectiveness.

Mr. Mumaw's study included the cost of only one of three herbicides used in the RRREMD (Roundup), and included Roundup purchases made in only 6 months of the year, whereas herbicide usage reports from our contractor, which began in August 2015, show Roundup has been used in every month of the year.

- The cost of such weed barrier will cost the RRREMD taxpayers \$700,000 additional tax dollars<sup>4</sup>; and

4. In Mr. Mumaw's study, the cost of installing weed barrier is shown as \$419,738 upon completion in year 4, but he applies 3.2% inflation to that figure for the next 21 years, ending with \$816,619 after 25 years, which he calls an "inflation-adjusted" cost. He uses the "inflation-adjusted" cost of \$816,619 as the installation cost, not the actual \$419,738.

The standard method for calculating gain or loss on a capital investment is to use the actual cost of the investment, not the "inflation-adjusted" cost. For example, if you sell your home, your gain or loss is based on the actual purchase price, not the "inflation-adjusted" price.

- Double-weed barriers have been tried by the AZ Department of Transportation (ADOT) and "...were found to be not cost effective."<sup>5</sup>

5. This statement is misleading. ADOT's quote refers to plastic and standard weed barrier used separately, not my proposed dual layer weed barrier system which does not incorporate standard weed barrier, but rather, geotextile which is not sold as, nor referred to as "weed barrier."

This is the exact question posed to ADOT over their web interface: "does ADOT ever use a weed barrier in it's highway landscape?" If not why? There is a proposal in the air in Sedona to install a double barrier (plastic capped by weed fabric) in the landscape areas of hwy 179 in the Village of Oak Creek and I am trying to gather as much information as possible.

These are the key sentences of ADOT's actual response: "No we do not use plastic or weed barrier under granite or rock mulches. Those treatments are not new and have been tried and tested and do not perform the desired results.... They may be effective for one or two years, but have not proven to [be] cost effective for long term maintenance from 3 to 10 years."

ADOT is not commenting on my proposed dual layer weed barrier system. They are clearly commenting on plastic and standard weed barrier used separately, whose shortcomings are well known. My dual layer weed barrier system uses geotextile and black plastic installed in a very specific way to address and solve those shortcomings.

During the re-construction of SR 179, the Big Park/VOC citizens asked ADOT to install special enhancements on SR 179 including "red rock"-colored sidewalks, pedestrian lighting, benches, trash containers, roundabouts and landscaping in the median and along the shoulders. In order to provide for the perpetual maintenance of those enhancements, the community formed an improvement district and a section of SR 179 was designated as the RRREMD which stretches along SR 179 for a distance of 1.45 miles.

The RRREMD 5-person Board is charged with the responsibility to ensure that the taxes imposed by the RRREMD are being spent wisely to maintain the enhancements for the benefit of the community residents and its visitors as they utilize and travel along SR 179.

The Board recently received a proposal from Paul Gazda, one of its members, to install a double-weed barrier along the medians and shoulders of SR 179 in the District (Proposal). The Board <sup>6</sup> has conducted a cost analysis study of the Proposal which has revealed the following facts:

6. "The Board" did not conduct the cost analysis. Mark Mumaw conducted the cost analysis. I was not consulted in any way about this cost analysis of my proposal.

- The Board asked ADOT about these weed barriers <sup>7</sup> and ADOT responded as follows: "We do not use plastic or weed barrier under granite or rock mulches. Those treatments are not new and have been **tried and tested** ... and have not proven to be cost effective for long term maintenance from 3 to 10 years.";

7. The phrase "these weed barriers" does not refer to my proposed dual layer weed barrier system but to standard weed barrier and plastic used separately. It is misleading to suggest that the statement applies to my proposed dual layer weed barrier system which does not use standard weed barrier and performs far more effectively than standard weed barrier or plastic alone.

- a. The Proposal would **NOT** save community taxpayers any money as alleged by Mr. Gaza but in fact would cost the community over \$700,000 <sup>8</sup> in inflation-adjusted dollars over the next 25 years. (The cost analysis figures can be reviewed on the RRREMD website – <http://www.improvementdistrictservices.com/redrockroademd.html>); and

8. This statement is inaccurate. My proposal was to conduct three small dual layer weed barrier system pilot projects to assess cost and other factors before deciding on whether to proceed with the full project; and to investigate grant sources to help pay for the pilot projects. Each pilot project is estimated to cost about \$10,000 for a total of \$30,000. My actual motion was to proceed with the weed barrier pilot projects and grant application, but no Board member would second the motion to open it to discussion and vote.

- The proposal would **double** <sup>9</sup> the RRREMD tax rate over the next 4 years without yielding any clear benefit.

9. This statement is inaccurate. My proposed pilot projects are estimated to cost about \$10,000 each. I proposed conducting and evaluating them in sequence with a "go/no go" after each one. I believe at least the first pilot could be paid for without a tax increase by making adjustments within the existing budget. In my proposal, I also identified several grant sources that might help pay for the pilot projects.

In addition, the Board is very aware that the original SR 179 project caused major disruption to Big Park/VOC businesses and many have been slow to recover. Many have failed. The Board believes that local businesses do not need the adverse impact from another disruptive project <sup>10</sup> along SR 179.

10. One of my proposed pilot project objectives was to develop methods that minimize traffic and pedestrian disruption. Sedona's dual layer weed barrier system installation on Hwy 89A was completed with little if any traffic disruption.

**The RRREMD Board is committed to maintaining the enhancements while keeping its promise to keep taxes in line.**