

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 10, 2011 at 6:00 P.M. at Clark Memorial Clubhouse, Men's Lounge, 19 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER - Meeting was called to order at 6:00 PM by Mayor Von Gausig.

Town Council:

Mayor Doug Von Gausig	Councilmember Patricia Williams – By Telephone
Vice Mayor Richard Dehnert	Councilmember Curtiss Bohall
	Councilmember Bill Regner

Town Staff:

Town Manager Gayle Mabery  
Community Development Director Sherry Bailey  
Police Chief Pat Haynie  
Utilities Director Wayne Debrosky  
Town Clerk/Finance Director Kathy Bainbridge  
CSP Manager Jodie Filardo  
Human Resources/Community Services Director Janet Perry

Mayor Von Gausig re-ordered agenda by general consent to take the New Business Items first and then continue with the order of the agenda.

**NEW BUSINESS**

**AMENDED FINAL PLAT FOR CROSSROADS AT MINGUS - Discussion and consideration of the Amended Final Plat for Crossroads at Mingus [formerly The Highlands].**

The Clarkdale Town Council approved both the Amended Planned Area Development Zoning Ordinance and the Third Amendment to the Development Agreement at their April 12<sup>th</sup> meeting. The remaining step is the consideration of the Amended Final Plat that reflects the changes approved at that April 12<sup>th</sup> meeting. The Planning Commission reviewed the Amended Final Plat at their April 27, 2011 special meeting and voted unanimously to recommend the Town Council approve the Amended Final Plat for Crossroads at Mingus [formerly The Highlands].

**Density**

The existing development plan drawing proposes a total of 241 units for the project. PTM has added 9 custom lots along Skyline Blvd. [formerly Highland Blvd] adjacent to Mescal Wash which is a direct result of the new drainage delineation. They have removed the lot lines for the Townhomes Lots along Old Jerome Highway at Sawtooth Peak Circle and the tiny park located in the circle and replaced it with a large park at the site of the temporary package plant and the open space area adjacent to that plant along Old Jerome Highway and Mescal Spur. The Townhome Lot area at Sawtooth became a single lot multi-family area which will accommodate up to 8 units on those 1.66 acres.

PTM is deleting the small park in the lower section along Roberts Road and dividing that area into two lots. The revised setbacks for the lots are on the Amended Final Plat. The Patio Home Lots will have a 4 foot side yard setback, the Village Home Lots will have 8 foot setbacks and

the Custom Home Lots will have a 10 foot side yard setback. The 1.66 acre Multi-Family Lot will be treated as a single area in design and will have to go through Design Review.

Product	Original Number	Revised Number	Lot Size
Custom Homes	58	65	Avg. 14,630 square feet
Village Homes	82	84	Avg. 9,056 square feet
Patio Homes	73	73	Avg. 4,864 square feet
Town homes	27	19	2,975 square feet
Multi-Family	0	8 units	3,000 square ft/unit

None of the lots that border other subdivisions are smaller than 10,000 square feet.

#### **Commercial**

PTM is proposing to add 1.29 acres of commercial along Silver Canyon Drive at the north of the commercial area. This is where the original community building was to be built on .5 acre and adjacent to the redefined Mescal Wash. This would make the overall commercial area size 11.89 acres. It would also allow the commercial area to be on both sides of Silver Canyon Drive.

#### **Preservation of Natural Area**

PTM is providing a natural trail along the edge of the wash. Since the realignment of the wash, the intermittent nature of Mescal Wash will have less of an effect on the trail. There is a total of 23.20 acres of open space in this development with 6.63 acres of designed park area.

#### **Drainage Easements**

The last pages of the Final Plat are individual drainage easements which are required by the master drainage plan. Each lot listed has a different configuration which is part of each lot's individual building envelope. Of the lots already sold, some property owners have signed a drainage easement secondary document. Those that have not already signed will have to sign a drainage easement at the time they pull a building permit.

Mayor stated that the Town appreciated all of the Crossroads' staff and professionals for sticking to the process and moving forward with the Town in this development.

**Councilmember Bohall moved to approve the Amended Final Plat for Crossroads at Mingus. Motion seconded by Councilmember Regner. Motion approved unanimously.**

**REQUEST BY SPIRIT OF JOY LUTHERAN CHURCH FOR A REDUCTION IN IMPACT FEES – Discussion and consideration of reducing the development impact fees that will have to be paid at the time the building permit is obtained for the Spirit of Joy Lutheran Church.**

On March 14, 2011, John Diets, Build Task Force Chair for the new Spirit of Joy Lutheran Church submitted a letter to the Mayor requesting that the Town consider reducing the development impact fees that will have to be paid at the time the building permit is obtained. In their letter they spoke about the unanticipated additional expense the church now has to meet in order to get their church built. They are asking consideration by the Town in these hard economic times.

The Mayor, Town Manager Mabery and Community Development Director Bailey met after receiving this letter to explore some options the Town Council might consider. The total building permit cost and fees that will be due at the permit stage are:

Impact fees for Spirit of Joy:	
Civic: \$475 per 1K sq. ft. =	\$ 4,275
Police 103 per 1K sq. ft. =	\$ 927
Wastewater based on 1.5" meter	\$ 9,210
Water based on 1.5" meter	\$11,984
<b>TOTAL</b>	<b>\$26,396</b>
Building permit fee (estimate)	\$10,402
Water hook-up fee	\$ 1,150
Type "B" fee	\$ 1,500
Wastewater hookup fee	\$10,806
<b>ESTIMATED GRAND TOTAL</b>	<b>\$50,254</b>

We have given residential a waiver on their meter size fee if they are pushed to a larger size meter only because of sprinkler requirements, however, we have not considered the same benefit for commercial. Other communities also recognize differing levels of intensity for commercial uses and charge differing rates based on those intensity levels. We consider a church as a commercial use even though they are a fairly low or less intense use. In the case of Spirit of Joy Church, they are a small church with a relative small set of building footprints. Their fixture unit total requires only a 1" water line which would require only a 1" meter. Their sprinkler requirements however, push the line size and meter size to 1.5". If the Council chose to downgrade the impact fee only to the actual needed size it would reduce their water and sewer impact fees by water - \$5,992 and sewer - \$4,805, for a total savings of \$10,797.

This is a reasonable solution at a time when the impact fee program is in a state of change or revision.

Mayor Von Gausig wanted it to be clear that the only reason for the reduction of fees was because of the need to increase the meter size only due to requirement of the sprinklers and wanted to make sure and not set precedence for reducing impact fees. The impact fee schedule will be reviewed at a future meeting.

The only other construction that had this requirement was Clarkdale Metals, but they needed the larger meter regardless, not just for the sprinkling requirement for their business.

John Diets, Build Task Force Chair for the new Spirit of Joy Lutheran Church informed the Council that the ground breaking would be Saturday.

Councilmember Williams moved to approve the request by the Spirit of Joy Lutheran Church for reduction of their development impact fees in the amount of \$10,797. This impact fee reduction being only due to the fact that they were required to put in a 1 ½ inch service line for water because of the fact that they had sprinklers and that they would not have had that 1 ½ inch line if it were not for the Town's sprinkler ordinance. Motion seconded by Councilmember Regner. Motion approved unanimously.

**ESTOPPEL CERTIFICATE BETWEEN IMV 5 MTN GATE AZ, LLC AND THE TOWN OF CLARKDALE - Discussion and consideration of an Estoppel Certificate with IMV5 in order to resolve the holding pattern Mountain Gate is presently subject to and allow the sale of the property for the completion of this subdivision.**

The Town Attorney and Town staff have been working with Josh Voit of IMV 5 Mtn Gate AZ, LLC, a limited liability company out of Delaware which is the successor to the beneficial interest held originally by IndyMac Bank in the form of a Construction Trust Deed for Empire Residential Construction. IMV 5 was appointed to oversee 100 different construction projects held by IndyMac Bank when it declared bankruptcy. They have been working with the Town to foreclose on the Mountain Gate property. In concluding the foreclosure, IMV 5 is immediately marketing the Mountain Gate property. They have asked the Town for a forbearance period in order to accomplish the sale. This Estoppel Certificate is an agreement that the Town recognizes the intent of IMV 5 to market the property and that the Town is willing to give them the forbearance period in which to accomplish that sale. By agreeing to this time period we agree not to enforce the provisions of the Development Agreement on IMV 5. The period is for two years with a six month extension if the property is sold to a third party.

If the property is sold the Town agrees to continue the forbearance for one year while the new property owner and the Town negotiate the terms of the Development Agreement.

The bank will only move forward with the final foreclosures with approval of this Estoppel Certificate.

The Council thought that the attorney should add an "Approved as to Form" signature for the attorney.

The document could be extremely important not only to the Town, but to the residents of Mountain Gate.

Vice Mayor Dehnert requested that the item be tabled to the May 24<sup>th</sup> meeting.

Upon general consent of the Council, the item was tabled to the May 24<sup>th</sup> meeting.

Councilmember Williams left the meeting at this point and Mayor Von Gausig continued with the original order of the agenda.

**PUBLIC COMMENT** – The Town Council invites the public to provide comments at this time. Members of the Council 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. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Town Clerk during the meeting. Each speaker is asked to limit their comments to five minutes.

There was no public comment.

**MAYOR, COUNCILMEMBER AND TOWN MANAGER REPORTS ON CURRENT EVENTS**

– A brief summary of current events by the Mayor, Council Members and Town Manager. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary.

Mayor Von Gausig's Report:

1. Held a variety of conference calls regarding SB1525 (Impact Fees) on behalf of the Town and League.
2. Conference call with the Water Advisory Committee Technical Advisory Committee regarding scenario changes in the Northern Arizona Ground Water Flow Model.
3. Met with the Nature Conservancy Economic Values study team.
4. Lunch with Clint Chandler (Senator Kyle's representative) in Prescott.
5. Attended and led lectures and field trips during the three day Verde Valley Nature and Birding Festival.
6. Photographed the Verde Valley Waiters Race to Greatness at the Verde Valley Fairgrounds which benefited the Arizona food bank.
7. Spoke with Representative Chip Davis regarding the future of State Parks and their financial condition.
8. Met with Ken Strobeck from the League in Dewey-Humboldt for their council meeting regarding League questions.
9. Attended a TV Show for Walton Family Foundation recipients at -- AZ-TV broadcast channel 7, cable channel 13.
10. Met with Representative Gosar regarding the Verde River Basin Partnership.
11. Attended the CYHWRMS Technical Working Group meeting in Prescott where they are discussing septic systems and the effluent they create.
12. Attended the Sustainability in Our Backyard event in Clarkdale. Reports came in that there were the right people there for discussions and projects for homeowners.

Councilmember Reports: None

Town Manager Report:

1. There will be three trial budget workshops, tonight, May 12<sup>th</sup> at 10:30 A.M., and May 18<sup>th</sup> at 2:00 P.M.
2. The pool is opening May 30 – Memorial Day.
3. May 18<sup>th</sup> is the ground breaking for the Juvenile Court Facility.
4. June 3<sup>rd</sup> is the first Family Fun Night at the pool.
5. June 11<sup>th</sup> is the first Concert in the Park with Major Lingo
6. June 25<sup>th</sup> is the second Concert in the Park with Sentimental Journey
7. The School Lockdown Exercise on April 29<sup>th</sup> went very well. School Resource Officer Robert Church set the event up. Both School and Town had a great exercise with great feedback from the Yavapai County Emergency Management Director for undertaking event.

#### **INFORMATIONAL REPORTS**

**CAT/ VVTPO**– A report regarding the Cottonwood Area Transit and the Verde Valley Transportation Planning Organization & other transportation affiliations. Councilmember Bohall reported no meeting.

**COCOPAI** – A report regarding the Coconino Yavapai Resource Conservation District. Councilmember Williams – no report.

**VVLPI** – A report regarding the Verde Valley Land Preservation Institute. Councilmember Williams – no report.

**NACOG** - A report regarding the Northern Arizona Council of Governments. Vice Mayor Dehnert reported that the Draft Minutes were in the packet and highlighted some of their discussions: The final proposal adopted by the state legislature diverts \$226 million in FY 12 from transportation sources, approved Regional Transportation Improvement Program amendments for the City of Show Low, Coconino County and NAIPTA, Broadband under EDA, Department of Labor and the state level remains a number one priority, and approved the proposed Area Agency on Aging FY 12 budget.

**NAMWUA** - A report regarding the Northern Arizona Municipal Water Users Association. Mayor Von Gausig reported no meeting.

**VRBP** – A report regarding the Verde River Basin Partnership. Mayor Von Gausig reported that he only had discussion with Representative Gosar.

**WAC** - A report regarding the Yavapai County Water Advisory Committee. Mayor Von Gausig reported that Prescott and Prescott Valley requested some changes from USGS to the Northern Arizona Ground Water Flow Model prior to it being released. Discussion evolved about why the changes were made and what they were. The Model is designed to predict impact. There are thoughts on having a third party consultant running the Model by some municipalities instead of USGS. There have been some objections to certain scenarios being run through the model.

**VVREO** – A report regarding the Verde Valley Regional Economic Organization – Councilmember Regner reported VVREO continues to recruit new board members, will be developing and updating their goals and objectives at their June 3<sup>rd</sup> retreat, continues to work on their Revolving Loan Fund, are discussing “branding” of the Verde Valley, and will be partners in hosting “An Economy for a Sustainable Future”, a community conversation exploring economic opportunities a healthy Verde River can provide to citizens of the Verde Valley on May 19, 2011.

**YCL** – A report from the Yavapai College Liaison. Councilmember Regner reported recruiting is being conducted for a new faculty to teach the viticulture/enology program courses, an architect has completed the feasibility study on converting the racquetball court into a winery, they are still searching for a new president, the pavilion on the Clarkdale campus is under construction and slated for completion in mid-July, and the foundation dedicated the proceeds of its French Flair in the Verde Countryside event of \$8,000 with 80% to scholarships and 20% to support the viticulture program.

**CONSENT AGENDA** - The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Council. All items are approved with one motion. Any items may be removed for discussion at the request of any Council Member.

- A. Approval of Minutes of the Common Council** - Approval of the minutes of the Regular Meeting held April 12, 2011.
- B. Claims** - List of specific expenditures made by the Town during the previous month. April check log and PPE dated 4/09/2011 and 4/23/2011.
- C. Board and Commission Minutes** – Acknowledgement of receipt of minutes and draft minutes of the previous month’s Board and Commission Meetings.
  - Board of Adjustments Notice of Cancelled Meeting for April 27, 2011
  - Design Review Board Notice of Cancelled Meeting for April 6, 2011
  - Heritage Conservancy Board minutes of the meeting held March 23, 2011
  - Parks and Recreation Board Notice of Cancelled Meeting April 13, 2011
  - General Plan Update Committee Notice of Cancelled Meeting for April 18, 2011
  - Planning Commission minutes of Special Meeting held April 27, 2011
- D. Reports** - Approval of written Reports from Town Departments and Other Agencies
  - Building Permit Report – February, 2011
  - Capital Improvements Report – April, 2011
  - Magistrate Court Report – March, 2011
  - Police Department Report – March, 2011
  - Water and Wastewater Report – March, 2011

Clarkdale Fire District Report and Mutual Aid Responses Report – March, 2011  
Cottonwood Area Transit (CAT) Operations Report – February, 2011

- E. Clarkdale Fire District Mechanical Repair Services Agreement** - Approval of the 2011-2013 Intergovernmental Agreement between the Clarkdale Fire District and the Town of Clarkdale for mechanic repair services.
- F. Clarkdale-Jerome School District Mechanical Repair and Maintenance Services Agreement** - Approval of the 2011-2013 Intergovernmental Agreement between the Clarkdale-Jerome School District and the Town of Clarkdale for repair and maintenance services.
- G. Request for Qualifications (RFQ) to provide Architectural and/or Engineering Services for the Town of Clarkdale** – Authorization to publicize the Request for Qualifications for Job Order Contracting architectural and/or engineering services for the Town of Clarkdale.
- H. Resignation of Michelle Hayman from the Design Review Board** – Acceptance of the letter of resignation from Michelle Hayman from the Design Review Board.
- I. Verde River Basin Partnership Request for Clarkdale to be a Cooperator in the U.S. Geological Survey (USGS) Resource Advisory Committee (RAC) Grant** - Approval to proceed with the VRBP request to be a Cooperator.
- J. Willdan Engineering Professional Service Agreement to Design the Broadway Waterline Loop and Related Water Infrastructure along Broadway between Main Street and Centerville Road** – Approval of proposal from Willdan Engineering to design the Broadway Waterline Loop and related water infrastructure along Broadway between Main Street and Centerville.

Vice Mayor Dehnert moved to accept the Consent Agenda items A – J as prepared by staff. Motion seconded by Councilmember Bohall. Motion approved unanimously.

### **FISCAL YEAR 2011-2012 TRIAL BUDGET WORKSESSION– A work session with the Council regarding the Trial Budget for FY 11-12.**

A Power Point presentation of the 2011-2012 Fiscal Year Trial Budget will show the combination of projected expense and revenue reductions/increases throughout the General Fund, HURF (Streets) Fund, Sewer Fund, Sanitation Fund, Water Fund, Grant Fund, Cemetery Fund, and Capital Improvement Fund. These projections will be fine tuned as we continue to receive additional information over the next two months.

Several dates should be kept in mind during the budgeting process. State law requires that, on or before the third Monday of July of each fiscal year, the Town Council must adopt a tentative budget. Functionally though, the Town of Clarkdale adopts a tentative budget prior to June 30<sup>th</sup> so that the staff has a guideline for expenditures on July 1<sup>st</sup>, which is the beginning of the fiscal year. The Tentative Budget sets the maximum “limits” for expenditures.

There is no specific date set by state law for adoption of the final budget. However, the deadline for adoption of a property tax levy is the third Monday in August. Since state law requires a period of at least fourteen days between adoption of the final budget and adoption of the tax levy, the deadline for adoption of the Final Budget becomes the first Monday in August.

Two years ago, Council desired a new way to increase public involvement in the budget process. The trial budget was presented to the Council and trial budget public workshops were held so that Town Staff met with the public addressing the many questions, concerns, priorities and comments regarding alternatives and issues involved in the budget. This year we are proposing the same format.

#### Proposed Timeline:

May 10, 2011 - Trial Budget Worksession/Public Workshop with Council  
May 12, 2011- Trial Budget Public Workshop at 10:30 A.M.  
May 18, 2011 - Trial Budget Public Workshop at 2:00 P.M.  
June 14, 2011 – Trial Budget Worksession with Council  
June 28, 2011 – Approval of Tentative Budget  
July 26, 2011 – Public Hearing and Adoption of Final Budget  
July 26, 2011 – Public Hearing regarding the Property Tax Levy  
August 9, 2011 – Adopt Property Tax Levy

#### Trial Budget Assumptions:

- Remain at 36 hour furlough.
- Library Director and Public Works Director resignations covered by reorganization.
- Resignation of one Police Officer and Utility Meter Reader who will both be replaced.
- Use existing Town staff for flood control and grant projects, which offset Town's costs with outside funding sources.
- Grant Funding for School Resource Officer.
- Change in ASRS contribution rates from 50% to 47%
- No merit increases.
- Proposed one time COLA in November of 2011, if funds are available.
- Established "On Call" pay for Police and Utilities.
- Health insurance premium increase of 7%.
- Workers Compensation Experience Modification increased from 1.09 to 1.75.
- New DWR – Department of Water Resources fee based upon population of \$5,710.
- 3.5% Decrease in State Shared Income Tax.
- 7.5% Increase in Motor Vehicle Tax.
- 12% Increase in State Sales Tax.
- HURF reductions of 12% from DPS and MVD shifts.
- LTAF - Local Transportation Assistance Fund (AZ Lottery) has been swept.
- 30% Increase in Local Sale Tax from 2010-2011 budget.
- 50% Increase in Construction Tax from 2010-2011 budget.
- No increase in property tax levy proposed.
  - 17% Decrease in Net Assessed Values.
  - \$45,249,916 in 2010 to \$37,661,550 in 2011.
  - 2010 Property Tax Levy was \$412,724.
  - 2011 Maximum Levy Limit is \$436,573.

- Proposed 2011 Levy is \$412,395.
- Tax Rate will adjust to \$1.095 to reflect the decrease in assessed values

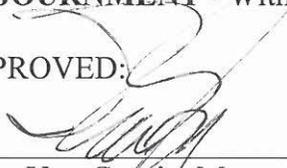
Trial Operational Budgets:

Fund	Budget
■ Streets	\$ 345,392.43
■ Wastewater	\$ 328,700.00
■ Sanitation	\$ 275,500.00
■ Water	\$ 1,380,200.00
■ Cemetery	\$ 40,140.00
■ General	\$ 2,515,498.46
■ Capital Imp.	\$ 639,510.00
■ Develop Reimburse	\$ 3,495,000.00
■ Grants	\$16,367,130.81
■ Impact Fees	\$ 977,390.18
■ Donation	\$ 254,500.00

**FUTURE AGENDA ITEMS** - Listing of items to be placed on a future council agenda  
Municipal Court Presentation, Impact Fee Discussion, Disposition of Fund Balance.

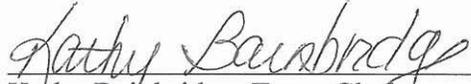
**ADJOURNMENT** - Without any further business, the Council adjourned at 9:10 P.M.

APPROVED:



Doug Von Gausig, Mayor

ATTESTED/SUBMITTED:



Kathy Bainbridge, 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 Clarkdale, Arizona held on the 10<sup>th</sup> day of May, 2011. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 15 day of June 2011

SEAL

  
Kathy Bainbridge, Town Clerk