

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 24, 2011 at 3:00 P.M. at Clark Memorial Clubhouse, Men's Lounge, 19 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER - Meeting was called to order at 3:15 PM by Mayor Von Gausig.

Town Council:

Mayor Doug Von Gausig

Vice Mayor Richard Dehnert

Councilmember Patricia Williams – Not in attendance

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

CSP Manager Jodie Filardo

Human Resources/Community Services Director Janet Perry

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

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. **Reports** - Approval of written Reports from Town Departments and Other Agencies
 - Building Permit Report – April, 2011
 - Capital Improvements Report – April, 2011
 - Magistrate Court Report – April, 2011
 - Police Department Report – April, 2011
 - Water and Wastewater Report – April, 2011
 - Clarkdale Fire District Report and Mutual Aid Responses Report – April, 2011
 - Cottonwood Area Transit (CAT) Operations Report –April, 2011

Councilmember Bohall moved to accept the Consent Agenda item A as presented. Motion seconded by Councilmember Regner. Motion approved unanimously.

OLD BUSINESS

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.

Town Manager Mabery reported that 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. She noted that the Town Attorney has recommended that the Council table this agenda item to allow time for further negotiations between the Town and IMV 5 Mtn Gate AZ, LLC prior to the Council's consideration of this agenda item.

Vice Mayor Dehnert moved to table discussion on the Estoppel Certificate between IMV 5 and the Town of Clarkdale pending further advice from counsel and re-negotiation. Motion seconded by Councilmember Bohall. Motion approved unanimously.

NEW BUSINESS

SOCIAL MEDIA POLICY – A worksession to discuss the proposed Town of Clarkdale Computer, Email, Internet and Social Media Policy.

Town Manager Mabery reviewed the draft Computer, Email, Internet and Social Media Policy with the Town Council. During the Town Council's 2011 Strategic Planning Session the Council expressed a desire for the staff to develop policies and begin utilizing social media as part of the Town's communication strategy. Town Manager Mabery and several staff members have attended workshops on implementation of social media for local governments over the past six months and have reviewed numerous Social Media Policies that other communities have adopted. Through that process, the importance of adopting a policy before stepping into the realm of social media became apparent.

During policy development, it also became clear that the Town's existing Email and Internet Policy needed to be updated, and needed to tie into the Social Media Policy. Our attorneys also recommended broadening the policy to cover use of "electronic devices".

Because computer technology and the use of social media, Web 2.0 and social networking technologies is constantly evolving, we also wanted to have an administrative guideline in place that would provide administrative guidance to employees who have the responsibility for social media activities on behalf of the Town. While the Policy adopted by the Council is always to be followed, guidelines are often developed to provide procedures for every day operations. Those guidelines can be amended administratively in order to make operations run more smoothly, where a policy can only be amended through Council action.

The policy has the following main focuses:

- It applies to the use of all of the Town of Clarkdale's ("Town") electronic devices, including computer, email, internet and social media applications ("Electronic Devices") by any person and is intended to make all users aware of what is deemed to be acceptable and unacceptable use.
- It focuses on the public records issues and Arizona Open Meeting Law issues associated with the use of email and social media relating to Town of Clarkdale business by town

employees, elected officials, and board and commission members, regardless of the ownership of the particular electronic device on which the email or social media is created.

- It provides the necessary framework for use of social media, Web 2.0 and social networking technologies on behalf of the Town.

Vice Mayor Dehnert made several recommendations to make it clear that viewing (in addition to transmitting or downloading) offensive, obscene or pornographic material is a violation of the policy and that employees have no expectation of privacy for what they view on Town equipment. The Council expressed support for beginning to use social media, and acknowledged that it will not only be a learning process, but that our staffing levels will impact our ability to implement social media applications on a broad scale. The Council directed staff to make minor adjustments to the policy and bring it back to the Council for adoption in June, 2011.

WORKSESSION ON THE EDUCATION CHAPTER OF THE AMENDED GENERAL PLAN FOR 2011 – A worksession with Council to review the draft of the 2011 Amended General Plan’s Education Chapter.

Community Development Director Bailey reported that in the fall of 2010 Council rescheduled approval of the Amended General Plan in order to allow the General Plan Update Committee and staff to correct some items in the Amended General Plan, to create a new chapter addressing education, and to send the plan out for review by the required agencies. Both the General Plan Committee and the Planning Commission have reviewed and edited the Education Chapter and are asking the Town Council to examine the chapter.

Both groups felt that education was an important topic that needed to be moved up in the contents order. This is a step into providing a new chapter in the General Plan. It is not a required element but both groups felt it is an important topic to the Town of Clarkdale. By including it in the Town’s General Plan it was felt that it highlighted the importance of education to Clarkdale. It also opens the door for increased examination by the Town of the effects growth may be having on the education system along with job training and continuing educational opportunities.

There are action items associated with this chapter mainly built around continuing and enhancing the cooperation between the Town and the various school districts including Yavapai College. There is an action item suggesting that during the Council’s strategic planning sessions, education in its various forms and needs in the community be part of the discussions.

CLARKDALE SUSTAINABILITY PARK UPDATE – An update regarding the Clarkdale Sustainability Park projects.

Clarkdale Sustainability Park Manager, Jodie Filardo reported that since the last update to Council on February 8, 2011, exciting things are underway with Sustainable Clarkdale and the Clarkdale Sustainability Park. In sequence of events, here’s a brief update on these projects.

1. February 15, 2011 - Update report submitted to the Walton Family Foundation ahead of the deadline. While no specific feedback from the report was received, the second grant distribution of \$150,000 for the CSP and in partnership with the U.S. Geological Survey was

funded on February 24, 2011, bringing the total funds received to \$325,000. Grant funds of \$150,651 remain to be funded. The CSP is currently operating under budget and as agreed.

2. March 22, 2011 – Council approved the resolution to accept the Arizona Solar Challenge encouraging at least 5% of owner occupied homes (estimated at 1,806 by in the 2010 Census) in Clarkdale to install at least one solar system by 2015. Thus far, Clarkdale has 58 residential systems installed with a total capacity of 190.2 kW or 3.2% thus far. We're hoping for approximately 91 installations by 2015. Thus far, three Solar Ambassadors have stepped forward to help other residents with their solar installations: Karen Daniels, Cindy Thomas, and George Skoblin. Karen and Cindy each volunteered at our recent sustainability event. If you'd like to track Clarkdale's progress towards our 5% solar challenge goal, you can visit the Arizona solar map at <http://www.arizonagoessolar.org/SolarMap.aspx>.

3. April 8, 2011 – Compilation of the town's APS bills for all buildings, lights, facilities, and the pool was completed. This compilation resulted in outreach to APS for an energy assessment which is in planning stages now. For two days, a team from APS and town utility team members will assess meters experiencing high bills in order to make suggestions of ways in which efficiencies may be realized, resulting in lower electric bills.

4. May 7, 2011 – Our first Sustainability in Our Backyard Event took place from 8 a.m. until noon in the Town Hall Complex. As a result, we rescued 7,540 pounds of toxic electronic waste from the landfills and possibly from impacting our water supply. Twenty-five contributors educated residents and visitors on water conservation through rainwater harvesting; on renewable energy generation from solar, wind and geo-thermal sources; on recycling and zero-waste ideas; on biofuels generation; and preserving and protecting our Verde River, and on financing solar projects. In addition, our police department and fire district served up a wonderful cook-out for the community with donated food and services. An estimated 300-500 folks attended and enjoyed the day, learning new things, and dreaming up new plans.

5. Projects in progress.

a. Request for Qualifications (RFQ) – Solar Services Agreement. To take advantage of APS incentives as part of installing solar power at town facilities, the first step is to select solar installers meeting our qualifications. Underway for presentation to Council in the near future is such an RFQ.

b. Request for support from Yavapai County. In this next budget cycle, the Town Manager intends to request support from the county in an effort to improve the energy efficiency of the pool and its facilities, thereby reducing ongoing operating expense for the same.

c. Solar Gardening discussion. As the concept of centrally locating solar photovoltaic arrays for individual investments and for benefits rendered through virtual net metering is not presently supported by APS but is seemingly advantageous to the residents of Clarkdale, a white paper is presently in development as an exploratory discussion driver. The executive summary is expected to be released on or before May 26th in time for discussion at the intergovernmental meeting.

d. Synergistic BioSystems. In an initial proposal for an integrated wastewater processing, an algae/biodiesel production, and a plasma arc system installation was received from this company based in southern Arizona. As with solar installations funded through incentives, SBS is also pursuing a new program through APS for possible funding. Including the funding of an upgraded plant which we're pursuing through other channels, the entire proposal is preliminarily

sized at \$30 million. This is just in its beginning stages with much more work and subsequent reports to Council to follow.

e. Connecting the Verde River and economic opportunity. Council discussed partnering with private and public property owners to improve and promote public access to the Verde River, enhancing opportunities for public recreation and the related economic development benefits. Of particular interest is the 2.19 mile stretch of the Verde River within the Town of Clarkdale boundaries.

REVIEW AND SELECTION OF A SUSTAINABLE CLARKDALE LOGO – Discussion and consideration of logos for use by the Sustainable Clarkdale initiative.

Clarkdale Sustainability Park Manager, Jodie Filardo reported that based on the Clarkdale Sustainability Park strategic planning meeting on January 28, 2011, twenty-one Clarkdale community leaders including the Mayor and Council, Town Manager, staff department heads, the Planning Commission, the CSP Scoping Team, and the General Plan Update Team determined ongoing direction for the project. As such, evolving the notion of the Clarkdale Sustainability Park (CSP) into the Sustainable Clarkdale initiative took place.

To brand the new initiative, the CSP work study team with great help from Guss Espolt, GIS Analyst created three different logos and presented these for public feedback at the May 7th Sustainability in Our Backyard event. Based on the feedback, modifications were made to one of the logos to reflect suggestions from the public.

This evening, these updated logos are offered for your consideration in the hopes you will select one of them for use by the Sustainable Clarkdale initiative.

Logo 1	Logo 2	Logo 3
		

After discussion, Vice Mayor Dehnert recommended using Logo #2, but asked for the design to be altered slightly by bringing the river image up higher on the logo, which decreases the area of the sun and increases the area of the greenway. The Council asked that the changes be made and the logo brought back to the Council for further consideration at the next Council meeting.

ALLOCATION OF FUND BALANCE IN THE GENERAL FUND – Discussion and direction to staff to allocate a certain portion of the projected balance in the General Fund prior to June 30, 2011 and explore the designation of further available Fund Balance after the completion of the FY 2011 financial audit.

Through a combination of conservative budgeting, control of expenses, and higher than expected local sales tax generation, Finance Director Kathy Bainbridge is projecting an approximate \$100,000 positive balance in the General Fund for the Fiscal Year ending June 30, 2011. Without any further Council action, any unrestricted funds that remain at the end of the Fiscal

Year are credited to the Fund Balance of the General Fund, and serve as an unrestricted reserve (also described as a contingent or rainy day fund). With Council action, some of the projected \$100,000 available could be directed to fund expenses before the end of the Fiscal Year.

Although the Town has effectively maintained a balanced General Fund budget over the past four years, we have accomplished that through aggressive reductions in staffing levels, other expense controls, deferred capital and maintenance projects and other fund transfers. We have taken these steps without the benefit of a contingency or rainy day fund to rely on in any meaningful way. In fact, most municipalities and the State of Arizona have depleted their reserves in an effort to manage through the current economic crisis.

Town Manager Mabery noted the significant steps the Town has taken over the past 3 ½ years in order to keep the Town's revenues and expenses balanced during what has accurately been deemed an economic crisis. Significant reductions were necessary in all categories, including salary and benefit expenses for Town employees. Some of the steps taken included:

- In January, 2009, we implemented a 10% furlough for all Town employees, which required the reduction of the work week from 40 to 36 hours for hourly employees, and a 10% pay cut for salaried employees and certified law enforcement officers.
- The Town implemented a Voluntary Early Retirement Incentive Program (VERIP), which 4 employees participated in.
- Attrition has resulted in significant reductions in staffing levels. Most positions that have been vacated in the last 4 years have been eliminated.
- The Town implemented a Reduction in Force (RIF) in February, 2010, which resulted in the elimination of 2 positions.
- Through these actions, full-time staffing levels have decreased approximately 34% from FY 2008 to present, from 51 full-time and 4 part-time employees in FY 2008 to 38 Full-time and 4 part-time employees in FY 2011.

Adequate levels of Fund Balance mitigate current and future risks and are crucial consideration in long-term financial planning. The Government Financial Officers Association (GFOA) recommends unreserved Fund Balance should be no less than 5 – 15% of the regular general fund operating revenues, or no less than 1-2 months of regular general fund operating expenditures.

The unreserved Fund Balance for the General Fund in 2007 was \$70,601 which was 2% of revenues and about ¼ of a month's expenditures.

The unreserved Fund Balance for the General Fund in 2008 was \$174,162 which was 4.5% of revenues and about ½ of a month's expenditures.

The unreserved Fund Balance for the General Fund in 2009 was (\$9,384).

The unreserved Fund Balance for the General Fund in 2010 was \$138,113 which was 5% of revenues and about 3/5 of a month's expenditures.

Preliminary estimates show the Fund Balance of the General Fund will increase about \$300,000 due to the collection of recorded “deferred revenues” along with any additional positive balance in the Fiscal Year ending June 30, 2011.

5% of the 2010-2011 budgeted revenues of \$2,417,779 would be \$120,900 and each month of 2010-2011 budgeted expenditures would be between \$180,000 - \$200,000, depending upon timing of one time large item purchasing.

Town Manager Mabery and Finance Director Kathy Bainbridge are seeking direction from the Council relating to 1) the projected positive balance of the General Fund for the FY ending June 30, 2011; and 2) the expected Fund Balance in the General Fund that will be identified after the completion of the FY 2011 financial audit. The staff would like to explore options of dedicating a portion of these funds for one-time expenses associated with deferred maintenance and other deferred expenses along with drafting a Fund Balance Policy for the future.

Town Manager Mabery noted that, while the Town is not in a position to move from the 10% furlough, the Town Manager would like to make a One-Time COLA payment to the staff prior to June 30, 2011. Making the COLA a one-time payment removes the on-going expense that would be added if we were to entertain a traditional COLA (which would typically increase base pay by a specific percentage), but allows us to provide some additional compensation to the employees who have worked so diligently to help the Town through these unprecedented times.

The Town Manager recommended that the proposed one-time COLA be paid to all permanent, non-contract employees that have at least one year of tenure with the Town at the time of the distribution. The distribution would be on an inverse scale, with the lowest paid employees receiving the highest distribution, as follows:

Annual Salary	# of Employees	One Time COLA	Total
\$20,000-29,999	12	\$1,150	\$13,800
\$30,000-39,999	16	\$1,000	\$16,000
\$40,000-49,999	2	\$850	\$ 1,700
\$50,000 +	7	\$700	\$ 4,900
Part-Time Pro-rated	1	\$640	\$ 640
TOTAL			\$37,040

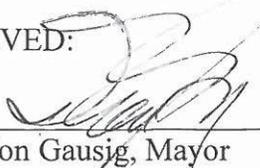
Vice Mayor Dehnert requested the cost of adding the Town Manager and the Town Magistrate to the program. Town Manager Mabery reported that, if contract employees were included, the Town Manager would receive \$700 and the Magistrate would receive \$245, adding \$945 to the above total. The CSP Project Manager would not have 1 year of tenure by June 30th.

Vice Mayor Dehnert moved to direct staff to allocate \$37,985 of the projected \$100,000 balance in the General Fund for a one-time COLA for staff prior to June 30, 2011 and explore the designation of further available Fund Balance after the completion of the FY 2011 financial audit along with drafting a Fund Balance Policy. Furthermore that the COLA amounts reflect the rates stated in the staff report with the inclusion of the Town Manager and the Town Magistrate. Motion seconded by Councilmember Bohall. Motion approved unanimously.

FUTURE AGENDA ITEMS - Listing of items to be placed on a future council agenda

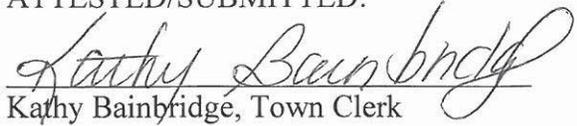
ADJOURNMENT - Without any further business, the Council adjourned at 5:15 P.M.

APPROVED:



Doug Von Gausig, Mayor

ATTESTED/SUBMITTED:



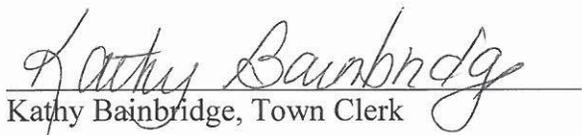
Kathy Bainbridge, Town Clerk

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 24th day of May, 2011. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 14 day of June, 2011

SEAL



Kathy Bainbridge, Town Clerk