



**NOTICE OF A SPECIAL MEETING OF THE COMMON COUNCIL
OF THE TOWN OF CLARKDALE**

**Tuesday, October 28, 2014 at 3:00 P.M.
Clark Memorial Clubhouse, Men's Lounge**

PURSUANT TO A.R.S. §38-431.02, NOTICE IS HEREBY GIVEN to the members of the Common Council of the Town of Clarkdale and to the general public that the Town of Clarkdale Common Council will hold a Special Meeting open to the public on **Tuesday, October 28, 2014, at 3:00 p.m.** in the **Clark Memorial Clubhouse, Men's Lounge, 19 N. Ninth Street, Clarkdale, Arizona.** Members of the Clarkdale Common Council will attend either in person or by telephone, video or internet conferencing. Pursuant to A.R.S. §38-431.03, the Council may vote to recess the meeting and move into Executive Session on any item, which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at www.clarkdale.az.gov and the Town Clerk's Office.

The undersigned hereby certifies that a copy of this notice was duly posted on the Community Development Building bulletin board, located at 890 Main Street, Clarkdale, Arizona on October 23, 2014 at 1:00 p.m.

Kathy Bainbridge
KATHY BAINBRIDGE
CLERK/FINANCE DIRECTOR

As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you turn it off at this time to minimize disruption to this meeting.

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR DISCUSSION AND POSSIBLE ACTION, UNLESS OTHERWISE NOTED.

- 1. CALL TO ORDER**
- 2. 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.
- 3. 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 – September, 2014
 - Capital Improvements Report – September, 2014

Magistrate Court Report – September, 2014
Water and Wastewater Report – September, 2014
Police Department Report – September, 2014

- B. Extra Mile Day Proclamation** – Approval of a Proclamation naming November 1, 2014 as Extra Mile Day, recognizing individuals and organizations who created positive change by “going the extra mile” and making a difference.
- C. Town Manager Annual Evaluation Process** – Discussion of the review process for the Town Manager Annual Evaluation.
- D. Special Event Liquor License** - Approval of a recommendation to the State Department of Liquor License and Control to approve a Special Event Liquor License for “Made in Clarkdale, Inc.” during their annual art show and festival event to be held on Friday December 5, 2014 through Saturday, December 13, 2014 at the Clark Memorial Clubhouse, 19 N Ninth Street, Clarkdale, AZ.

NEW BUSINESS

- 4. WIRELESS COMMUNICATION FACILITIES WORKSESSION** – Discussion regarding possible revisions to Ordinance #352 – Wireless Communication Facilities – by adding residential buffer zones in areas where wireless communication towers are currently permitted.
- 5. PURCHASE OF PROPERTY FOR EFFLUENT DISPOSAL** – Discussion and consideration of the purchase of six parcels of property totaling 82.60 acres of land to secure the Town’s site for disposal of treated effluent.
- 6. VERDE VALLEY COUNTRY CLUB CLUBHOUSE** – Consideration of sending a letter of support to Freeport McMoRan, Inc. for the delay of the demolition of the Verde Valley Country Club Clubhouse.
- 7. FISCAL YEAR 2014-2015 BUDGET UPDATE** – A worksession to discuss the first quarter of the 2014-2015 FY budget.
- 8. FUTURE AGENDA ITEMS** - Listing of items to be placed on a future council agenda
- 9. ADJOURNMENT**

Persons with a disability may request reasonable accommodations by contacting the Town Hall at 639-2400 (TTY: 1-800-367-8939) at least 72 hours in advance of the meeting.

**Minutes of a Special Session of the Common Council of the Town of Clarkdale
Held on Tuesday, October 28, 2014**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, October 28, 2014, at 3:00 p.m. in the Clarkdale Men's Lounge, 19 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER – Meeting was called to order at 3:01 P.M. by Mayor Von Gausig.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Richard Dehnert
Councilmember Rennie Radoccia

Councilmember Bill Regner
Councilmember Curtiss Bohall

Town Staff:

Town Manager Gayle Mabery
Town Clerk/Finance Director Kathy Bainbridge
Community Development/Economic Director Jodie Filardo
Senior Planner Beth Escobar
Police Chief Randy Taylor
Utilities/Public Works Director Wayne Debrosky
Deputy Clerk Mary Ellen Dunn

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Robyn Prud'homme-Bauer, Clarkdale resident and business owner: Thanked the Town of Clarkdale on behalf of the Clarkdale Business Alliance for support of First Annual Clarktoberfest and presented the Town Manager with a letter of appreciation.

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- B. Extra Mile Day Proclamation** – Approval of a Proclamation naming November 1, 2014 as Extra Mile Day, recognizing individuals and organizations who created positive change by “going the extra mile” and making a difference.

- C. **Town Manager Annual Evaluation Process** – Discussion of the review process for the Town Manager Annual Evaluation.
- D. **Special Event Liquor License** - Approval of a recommendation to the State Department of Liquor License and Control to approve a Special Event Liquor License for “Made in Clarkdale, Inc.” during their annual art show and festival event to be held on Friday December 5, 2014 through Saturday, December 13, 2014 at the Clark Memorial Clubhouse, 19 N Ninth Street, Clarkdale, AZ.

Councilmember Regner moved to accept Consent Agenda items A – D as presented. Vice Mayor Dehnert seconded the motion. The motion was approved unanimously.

NEW BUSINESS

Without objection Mayor Von Gausig rearranged the agenda order placing the Verde Valley Country Club Clubhouse to the top of the agenda.

VERDE VALLEY COUNTRY CLUB CLUBHOUSE – Consideration of sending a letter of support to Freeport McMoRan, Inc. for the delay of the demolition of the Verde Valley Country Club Clubhouse.

The Clarkdale Historical Society and Museum is coordinating an effort to garner community support for the preservation of the Clubhouse of the former Clarkdale Country Club adjacent to Peck’s Lake. Lacking the financial resources to do so themselves, the Museum’s goal is to delay the demolition of the Clubhouse so that a non-profit organization can be formed with the mission to preserve and restore the building.

According to information in the John Bell collection, the golf clubhouse was built at Peck’s Lake in 1922. The building, with its lounge, dining room, kitchen and locker rooms for men and women, became the social center for many families for decades. The picturesque nine-hole golf course was developed in 1924 and was host to the Arizona State Golf Association championships in 1925 and 1929.

Located on private property (APN 400-02-007F) and owned by Freeport McMoRan, Inc., the building was analyzed by Freeport McMoRan’s health and safety specialist, and a subsequent report identifies the building as condemned due to its substandard condition and danger to the health of personnel who enter it. The building is located on 101.94 acre parcel, which is part of a combined 900 acre combination of lands that make up the Verde Valley Ranch Development. The property has been fenced and posted for “No Trespassing” since the Peck’s Lake area was closed to the public on January 1, 2004.

The Town of Clarkdale has no regulations that would prevent the demolition of this structure. On June 23, 2014, after their Health and Safety Team’s analysis, Freeport McMoRan applied for a demolition permit from the Town of Clarkdale. They received a permit on June 24, 2014, and the permit becomes null and void if demolition work is not commenced within 6 months, or if work is suspended or abandoned for a period of 6 months at any time after work is started. Any decision by Freeport McMoRan, Inc. to delay the demolition would be voluntary.

The Clarkdale Historical Society and Museum is requesting that letters of support for a delay of the condemnation be sent to Freeport McMoRan, Inc. Council Member Radoccia has requested that the Council approve the attached letter.

Town Manager Mabery introduced Councilmember Radoccia as sponsor of this agenda item. Demolition permit was pulled. Radoccia wrote letter as a private citizen to Joe Brunner requesting demolition be postponed.

Radoccia stated that preliminary review of detailed photographs and aerial details, discussions with structural engineer, and reading letter written by contractor, it was revealed that aesthetics of building were in ruins however he couldn't detect structural degradation. The cost of restoration of this historic building would be a big question and issue.

Council discussion followed regarding Freeport-McMoRan's willingness to allow access to building before and after renovations if they occurred, liability issues, and what the building might be used for.

Mayor Von Gausig opened the discussion to public comment. The following people addressed the Council:

Cindy Emmett, Clarkdale resident and Historical Society member: Stated that after having two different construction people look at the property, her group did not agree with Freeport-McMoRan's report. Foundation is poured concrete and there were no cracks that they could see. Some of the items are merely cosmetic issues. She stated that raising funds for the restoration and collecting all necessary details and information in preparation would take about two years. Ms. Emmett later stated that as an epicenter of the Important Birding Area, the building would be a great site for an interpretive center.

Drake Meinke, Clarkdale resident: Stated that he wrote letter in support of delay of demolition. He added that Freeport-McMoRan, owners of the property, have an extensive social-giving program that might be approached for funding.

Curtis Linder, Jerome resident: Stated that the issue was important to him as former Clarkdale resident because Clarkdale has already lost so many historic buildings. He also noted Freeport-McMoRan's liability concerns but that they are taking more information and allowing time to gather data. He stated that the "bones of building are in good shape". He added that the letter should give Freeport a vision of what this building could be as well as offering ideas of how private citizens might help Freeport with liability concerns.

Tim Koons, Cottonwood resident: Spoke in support of Council sending the letter to Freeport.

Councilmember Bohall moved to approve the letter to Freeport McMoRan, Inc., expressing support for the delay of the condemnation of the Verde Valley Country Club – Golf Course Clubhouse. Councilmember Radoccia seconded the motion. The motion was approved unanimously.

WIRELESS COMMUNICATION FACILITIES WORKSESSION – Discussion regarding possible revisions to Ordinance #352 – Wireless Communication Facilities – by adding residential buffer zones in areas where wireless communication towers are currently permitted.

The Town Council adopted Ordinance #352 on July 10, 2013 relating to Wireless Communication Facilities. Council Member Radoccia is interested in amending the ordinance to add residential buffer zones and view shed protection in areas where wireless communication towers are currently permitted.

Under Ordinance #352, Wireless Communication Facilities are allowed with a Conditional Use Permit in the Commercial (C) and Industrial (I) zones, except for properties located within the 89A Overlay District protected view shed. Towers are limited to 65 feet, except for a designated Industrial "Zone A", where towers can be up to 200 feet in height.

A copy of Ordinance #352 is included for your reference, as is a map that shows the current Commercial (C) and Industrial (I) zoned properties in Clarkdale, the 89A Overlay District and Industrial Zone A.

Senior Planner Escobar presented information and maps for this agenda item. For Council's reference, staff created three maps depicting 500', 1000', and 1500' buffer zones for residential areas from the property boundaries outward.

Discussion followed with reference made to letter from Glenn Straub, real estate appraiser in Verde Valley, which stated that a cell tower within 500' of a residential property would have some negative impact on the marketability of the home. Additionally, economic benefits of cell phone coverage were discussed.

Mayor Von Gausig opened the discussion to public comment. He began by reading a letter submitted to the Council by Clarkdale resident, Gary Morgan. The following people addressed the Council:

Karen Daniels, Clarkdale resident: Stated she and her husband purposefully chose their property for the unblocked views. A cell tower would destroy the most valuable asset and feature of her home. Presented letter from local realtor describing the impact the cell tower would have on her home value. She and her husband currently have excellent service without the cell tower. Would want a carrier to prove that there is a need to have a cell tower in the area.

Robyn Prud'homme-Bauer, Clarkdale resident and business owner: Stated she understands the need of the growing capacity for cell phone infrastructure as well as the desire to respect the view shed of the neighborhoods. Hopes the council will be sensitive to what would be the best criteria for the residents of Clarkdale. Thanked Councilmember Radoccia for bringing this item to the agenda.

Curtis Linder, Yavapai County Planning Commission: Stated that Clarkdale has a unique and historic district and though cell phones are a primary mode of communication today, hopes the Council will remember the "public component" and require the applicant to "garner public support" for the use permit.

Mayor closed public comment.

Council directed staff to send the issue to the Planning Commission for recommendations.

This is a worksession item only. Staff is requesting Council direction before proceeding with any proposed amendments to Ordinance #352.

Council took a 5-minute recess and resumed at 4:35 p.m.

PURCHASE OF PROPERTY FOR EFFLUENT DISPOSAL – Discussion and consideration of the purchase of six parcels of property totaling 82.60 acres of land to secure the Town's site for disposal of treated effluent.

The Town of Clarkdale and Clarkdale Minerals, LLC executed a lease of 60 acres of property owned by Clarkdale Minerals, LLC in 2004 for the purpose of disposal of treated effluent. The initial lease had a term of 5 years, and was renewed for an additional 5 years in 2009. Earlier this year, during discussions about an additional renewal of the lease, the Town learned that the property owner was interested in offering the property for sale instead of continuing with extensions of the lease agreement beyond its 2014 expiration. Because ownership of the property would provide the Town of Clarkdale with site control for our current effluent disposal operations, and also provides flexibility as we explore alternative methods of the use of our reclaimed water in the future, town staff began working with the property owner to define value for the property in question.

In addition to the 3 parcels of property (400-05-017H, 400-06-003A and 400-06-003, totaling 69.31 acres) that are currently impacted by the Town's effluent disposal operations, Clarkdale Minerals, LLC required that 3 additional properties be included as part of the proposed sale. The additional 3 properties (400-05-017G, 400-05-006A, and 400-06-003B) are located south of the existing effluent disposal operation, and south of the railroad right-of-way, and include approximately 9 acres of land located in the Bitter Creek floodplain and 4.29 acres of land outside the floodplain, for a total of 13.29 combined acres.

Current Zoning and Floodplain – The property in question is currently zoned Industrial - (I). Approximately 31% of the land proposed for purchase (26 acres of the 82.6 acres) is impacted by the Bitter Creek floodplain. 2.4 acres are located on steeply sloped terrain just north of the historic town site between 9th and 13th Street and would be difficult to develop. The remaining 54 acres have good long-term development potential.

General Plan Compliance – The 2012 Clarkdale General Plan classifies this property for land use as Heavy Industrial (HI). This classification is intended to provide locations for more intensive industrial uses that may include large amounts of exterior storage and outside work areas, primary material processing facilities, contractor storage yards, distribution and transportation facilities that generate trucking and traffic impacts, and various major public facilities including recycling facilities and waste water treatment plants, electric substations or other uses by utilities. As such, the current use of the property complies with the Land Use element of the General Plan, and the plan provides for a wide range of options for future uses.

With regard to future uses, eight areas of Clarkdale are designated as planning sub-areas in the 2012 Clarkdale General Plan. The delineation of planning sub-areas is a tool to understand how different areas have unique and interrelated characteristics in terms of planning concerns. The goal of the planning sub-areas is to consider the unique concerns and issues found within each area, while recognizing each area's connection with the entire Town as a whole. The classifications for various properties are based on a variety of factors, including an analysis of existing and projected uses, the zoning of the existing zoning classifications, the availability of infrastructure including roads and utilities, the general topography, the relationship to any flood plains and the general nature of surrounding uses. The property in question is located in the "Historic Industrial Area" planning sub-area.



Historic Industrial Area -

Clarkdale was originally built to support the copper smelting operations located adjacent to the Verde River. The mining operations were shut down in 1951 and the Clarkdale smelter was essentially closed by 1953. The industrial area located across the wash to the north of the historic Town site still contains the abandoned ruins of the major smelter buildings. Several businesses currently operate in this area including light manufacturing facilities. The area has several unique aspects that suggest a great deal of potential for regionally-oriented economic development. The central area has over 100 (one-hundred) acres of potentially usable land for development. There is a railroad line that connects to the main inter-continental line at Ash Fork which could be used for additional delivery and export of products to and from the area. The industrial area has a history of intensive use, has significant buffering from adjacent uses and is currently zoned for industrial development.

Finally, the property proposed for acquisition is located in an area identified as a Growth Area in the General Plan, which is an area that has been identified as the most suitable for future development according to the objectives of well-planned, efficient, cost-effective, coordinated, community-oriented design criteria. The Historic Industrial Railroad District not only offers unique opportunities for commercial and industrial development but also could provide some amount of multi-unit residential development if it was carefully located.

Access to Property – The majority of the property can be accessed from both Miller Road and Luke Lane. The Development Agreement for Clarkdale Minerals, Inc.'s slag reclamation project requires that the developer extend a road through this site to connect Broadway to Cement Plant Road. The Town's purchase of this property would not impact that development agreement requirement, other than the Town would now be a property owner and would be working cooperatively with the developer to site the road extension through the property. The southern section of parcel #400-06-003B has significant topographic challenges, but does have some minimal access from a service road that lies north of First North Street between 9th and 10th Street.

Financial Implications of the Purchase of Property – As of July 1, 2014, the Town of Clarkdale has accumulated \$526,250 in Council designated wastewater capital funds that are available to fund the

purchase of this property. In addition, during FY 15 and 16, the Town will receive payments in the amount of \$1,321,280 (payable in 8 quarterly installments of \$165,160 each) that are due to the wastewater capital fund as a condition of the Development Agreement for the Mountain Gate Subdivision (four payments were received in FY 14, and the first installment for FY 15 was received on September 18, 2014; the remaining seven payments are due quarterly thereafter). These funds are also available to fund the purchase.

Were the Town to forgo the purchase of this property at this time, the available funds would remain in an investment account with the Local Government Investment Pool (LGIP), which is a voluntary investment vehicle utilized by the Town of Clarkdale and operated by the Arizona State Treasurer's Office, or in our Wells Fargo savings account. The LGIP provides safe, liquid and competitive yields for local government entities, and provides the opportunity for smaller jurisdictions to enjoy the economies of scale available from a \$2.5 billion pool fund investment portfolio. Since the economic downturn in the late 2000's, funds invested in the LGIP have only been earning between .05% and .10% interest. As a result, the Town moved the majority of its capital funds to a Wells Fargo savings account which currently earns between .20 - .25 % interest.

The Town is currently exploring alternative effluent disposal and water recharge projects that will eventually lead to the conversion away from the current land application process for effluent disposal. When that occurs, the development potential of the property in question will substantially increase. The town would give up the more liquid investment advantage offered by the LGIP or Wells Fargo saving account if we convert our cash investment to the purchase of land at this time, but the long-term return on the land investment is believed to be higher than the value of the extremely low earnings that we earn from our investment accounts.

Site Control and Costs to Relocate Current Effluent Disposal Site - Importantly, site control of the land that we use for effluent disposal is critically important from an environmental permitting perspective. Without the security of a long-term lease on the property, our ability to continue to comply with our permits from the Arizona Department of Environmental Quality is at risk and would prove costly were it called into question. In addition, while we anticipate the utilization of our reclaimed water in a different way in the future, the costs to relocate our effluent disposal site and the necessary infrastructure to convey our effluent to a new site at this time would be significant. Acquisition of this property now gives us the flexibility to plan for the most cost effective way to maximize our water resources in the future.

Value of Property - The Yavapai County Assessor's Office established the 2015 Full Cash Value of the six parcels in question at \$657,490. An appraisal, commissioned by Clarkdale Minerals, LLC, and conducted by Michael Wolff Real Estate Appraisal Services in August and September, 2014 estimated the market value of the properties at \$459,000. The Wolff appraisal includes 97 pages of analysis and is available for review at the Clarkdale Town Hall. Town staff believes that the Wolff appraisal provides an accurate and complete analysis of the estimated market value of the property.

Town Manager Mabery presented information on this agenda item.

Mabery informed the Council that the Town has \$526,000 accumulated in designated wastewater capital funds that have been designated for future capital projects. Those funds would initially be used only to execute the purchase. Additionally this year we will also be receiving \$660,000 from BC Land Group's development agreement (Mountain Gate). Three-quarters of these funds would be

used to offset the costs of this purchase. The initial funds used to execute the purchase (\$526,000) would then be repaid before the end of this fiscal year through the developer's payments.

Discussion followed regarding the future benefits of the purchase of this 82.60 acres was discussed.

Councilmember Regner moved to authorize the purchase of the six parcels of property, as listed in the staff report, totaling 82.60 acres, for a total purchase price of \$459,000, and direct the Town Manager to work with the property owner to complete the purchase. Vice Mayor Dehnert seconded the motion. The motion was approved unanimously.

FISCAL YEAR 2014-2015 BUDGET UPDATE – A worksession to discuss the first quarter of the 2014-2015 FY budget.

This budget update is designed to provide the Town Council with an overview of the current budget position, discuss current budget and revenue projections, and talk about key areas in the Town's short term economic outlook.

Finance Director Bainbridge presented information on this agenda item.

2014-2015 Budget Update for Month Ending September 30, 2014 (Twenty-five Percent of Budget Year Complete)

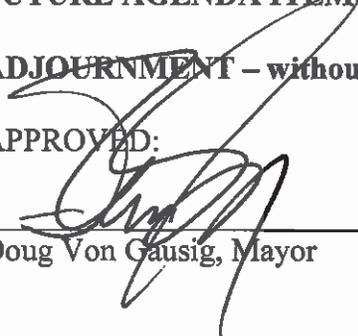
<u>Account</u>	<u>YTD Actual</u>	<u>% of Budget</u>
Streets – Revenue (w DF)	\$ 101,990.35	16.64%
Streets – Revenue (w/o DF)	\$ 101,990.35	26.33%
Streets – Expenses (w DF)	\$ 68,554.44	11.18%
Streets – Expenses (w/o DF)	\$ 68,554.44	17.70%
Wastewater – Revenue	\$ 133,019.74	23.98%
Wastewater – Expenses	\$ 91,486.32	16.49%
Sanitation – Revenue	\$ 74,506.73	25.42%
Sanitation – Expenses	\$ 61,501.52	20.99%
Water – Revenue	\$ 357,375.05	26.51%
Water – Expenses	\$ 257,415.76	19.10%
Cemetery – Revenue	\$ 5,378.95	11.92%
Cemetery – Expenses	\$ 10,910.62	24.19%
General Fund – Revenue (w DF)	\$ 621,702.24	17.38%
General Fund – Revenue (w/o DF)	\$ 621,702.24	21.27%
General Fund – Expenses (w DF)	\$ 675,106.58	18.87%
General Fund – Expenses (w/o DF)	\$ 672,147.27	23.00%

This item is scheduled as a worksession only, and no official action is necessary from the council.

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

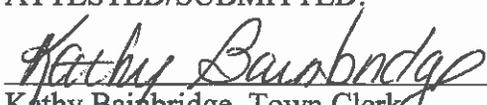
ADJOURNMENT - without objection, Mayor Von Gausig adjourned the meeting at 5:27 P.M.

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 28th day of October, 2014.

I further certify that meeting was duly called and held and that a quorum was present.

Dated this 19 day of November 2014.

SEAL



Kathy Bainbridge, Town Clerk