

**Minutes of a Special Session of the Common Council of the Town of Clarkdale
Held on Tuesday, May 26, 2015**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 26, 2015 at 3:00 P.M. in the Men's Lounge of the Clark Memorial Clubhouse, 19 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER – Meeting was called to order at 3:00 P.M. by Mayor Von Gausig.

Town Council:

Mayor Doug Von Gausig

Councilmember Bill Regner

Vice Mayor Richard Dehnert

Councilmember Curtiss Bohall

Councilmember Scott Buckley

Town Staff:

Town Manager Gayle Mabery

Town Clerk/Finance Director Kathy Bainbridge

Community Services/Human Resources Director Janet Perry

Community Development/Economic Director Jodie Filardo

Utilities/Public Works Director Wayne Debrosky

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, 2015
Capital Improvements Report – April, 2015
Magistrate Court Report – April, 2015
Water and Wastewater Report – April, 2015
Clarkdale Fire District Report and Mutual Aid Responses Report – April, 2015
Police Department Report – April, 2015
Police Department RICO Quarterly Report – 1st Qtr. 2015
NAIPTA Transit Report – April, 2015
- B. **Wine Festival License** - Approval of a recommendation to the State Department of Liquor License and Control to approve a Wine Festival License for Pillsbury Wine

Company North for the Verde Valley Wine Consortium's event to be held on Saturday, May 30, 2015 from Noon – 6:00 p.m. at Yavapai College, 601 Black Hills Road, Clarkdale, AZ.

Councilmember Regner moved to accept Consent Agenda items A and B as presented. Councilmember Buckley seconded the motion. The motion passed unanimously.

NEW BUSINESS

WORKSESSION ON THE BOOSTER PUMP STATION RETROFIT OF THE 89A

RESERVOIR - Discussion regarding a booster station which would be used to pump water from the 89A Reservoir to support the Haskell Springs Reservoir.

Wayne Debrosky, Public Works/Utilities Director explained that the Haskell Springs Well and Reservoir System has historically been stressed yearly during the summer months when the user demand has increased and well production has decreased. The Haskell Springs Well, in recent years, has been impacted by lowering ground water levels that are likely due to the continuing drought conditions in the Verde Valley. During the summer, that well's static level has been lowered to point that the Town of Clarkdale has had to curtail pumping and supplement the Haskell Springs Well production with potable water supplied from the inter-municipal connection with the City of Cottonwood. During June 2013 the City of Cottonwood supplied 2.8 million gallons to the Town of Clarkdale through the inter-municipal connection, and by June 2014 this amount had increased by 25% to 3.5 million gallons.

The normal Haskell Springs Well production rate is 360 gallons per minute (gpm) while the Mountain Gate Well can produce more than 660 gpm. In June 2014, due to high usage and continuing drought conditions, the production from the Haskell Springs well had dropped off from 360 gpm to 250 gpm with a maximum production capability of 360,000 gallons per day. This means that the Haskell Springs Well would need to run 24 hours per day or 1440 minutes per day in order to produce 360,000 gallons with no time off in order to rest the well and allow recovery. This represents a drop of over 30% in production from the Haskell Springs Well. Demand during this same time for the area served by the Haskell Springs Well averaged over 400,000 gallons per day. This necessitated supplementing production from the Haskell Springs Well with water from the City of Cottonwood via the inter-municipal connection to meet daily usage demands and allow the Haskell Springs well some time to recover.

Instead of receiving water from Cottonwood the Town of Clarkdale could use the excess capacity from the Mountain Gate Well, if there was a way to convey water from the 89A Reservoir to the Haskell Springs Reservoir. The Haskell Springs Reservoir site is approximately 150 feet higher in elevation than the 89A Reservoir site. In order to transfer water from the 89A Reservoir to the Haskell Springs Reservoir we would need to install a booster pump system at the 89A Reservoir Site that could pump water to the Haskell Springs Reservoir. This would allow the town to independently manage Haskell Springs Well shortfalls without purchasing water from the City of Cottonwood. Also, with this excess pumping capability, the Mountain Gate Well would serve as a backup to the Haskell Springs Well. Currently the only backup to the Haskell Springs Well is the inter-municipal connection with the City of Cottonwood.

Although the Mountain Gate Well has a higher capacity than the Haskell Springs Well (660 gpm v. 300 gpm), most of the water that is supplied to the distribution system comes from the Haskell Springs Well. This is because there are two separate service areas: one served from the Haskell Springs Reservoirs and one served from the 89A Reservoirs.

The largest benefit of the project is controlling your own system. Cost estimates are approximately \$230,000. The project would preliminarily qualify for use of the Central Arizona Trust Project monies in the amount of \$186,000 and the remaining cost would be funded by the Water Resource Development funds the Town has.

This was a worksession only and no action was taken.

FISCAL YEAR 2015-2016 PRELIMINARY BUDGET WORKSESSION– A worksession with the Council regarding the Preliminary Budget for FY 2015-2016.

Finance Director, Kathy Bainbridge presented a review of the operational funds for the Town:

- ASRS retirement contribution rates to 11.47%, a decrease of .13% for employer contribution.
- 7% health insurance premium increase.
- Workers Compensation Experience Modification decreased mod to 1.14 from 1.69.
- Public Safety Personnel Retirement System (PSPRS) current contribution rate of 24.15% with chosen Phase-In rate of 26.08% employer contribution.
- 1% wage increase.
- Property Tax at maximum levy.

	<u>2014/2015</u>	<u>2015/2016</u>	<u>Change</u>
Contingency	861,733	858,589	-.36%
Administration	276,941	279,071	.77%
Town Clerk	107,666	102,155	-5.12%
Human Resources	60,102	52,790	-12.17%
Town Wide	302,276	313,928	3.85%
Community Services	119,624	118,606	-.85%
Library	73,321	72,418	-1.23%
Community Development	365,905	737,000	1.94%
Parks & Recreation	11,300	9,900	-12.93%
Court	82,758	84,410	2.0%
Police	837,452	918,568	9.69%
Verde River Raps	40,000	50,528	26.32%
Public Works	437,214	446,339	2.09%
General Fund	3,576,298	3,680,308	2.91%
Streets	612,784	619,494	1.10%
Sanitation	293,000	293,000	0
Cemetery	45,100	42,675	-5.38%
Wastewater	784,431	766,564	-2.28%
Water	1,347,599	1,348,002	.03%
Capital Projects	696,656	733,312	5.27%

The property tax levy was set at \$490,000, which is the maximum levy allowed with an increase of \$42,446. That represents a 9.5% levy increase. A \$100,000 home will be taxed by the Town \$171.65 which is a \$14.87 increase.

This is a worksession only and no action by Council is required.

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PHASE-IN AUTHORIZATION FORM – Discussion and consideration regarding authorization of opting in to use the phase-in contribution rate for Public Safety Personnel Retirement.

At April 28th presentation of the 2015-2016 Fiscal Year Preliminary Budget for the General Fund the Public Safety Personnel Retirement System (PSPRS) Phase-In options were presented.

The Fields case reversed pension reform changes of 2011 regarding permanent benefit increases which had dramatic impacts on the average contribution rate for entire system.

Currently Clarkdale has a \$1,288,737 Unfunded Liability balance. The 2014 Funding Ratio is 58.1%, which was a 20% increase in one year in the unfunded liability retirement balance for the Police Departments.

■ 2013	\$495,958	78.8%
■ 2012	\$367,101	83.7%
■ 2011	\$205,343	90.1%
■ 2010	\$103,781	94.5%

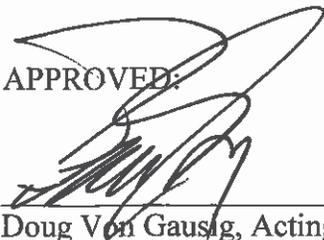
The PSPRS Board adopted a 3 year phase-in policy for increased 2014 contribution rates allowing employers the choice to either pay the full effect rate over the 22 year period or choose the phase-in rate in order to payoff Clarkdale's unfunded liability over a 22 year period. Choosing the phase-in rate lowers the required employer contribution the first two years and then remains at 21.77 % for the remaining 20 years versus contributing 20.89% for 22 years.

Councilmember Regner moved to approve the Public safety Personnel Retirement System Phase-In Rate Authorization Form. Vice Mayor Dehnert seconded the motion. The motion passed unanimously.

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

ADJOURNMENT – Without objection Mayor Von Gausig adjourned the meeting at 5:32. P.M.

APPROVED:



Doug Von Gausig, Acting 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 26th day of May, 2015. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 10 day of June, 2015.

SEAL

Kathy Lambbridge