

**Minutes of a Regular Session of the Common Council of the Town of Clarkdale
Held on Tuesday, January 12, 2016**

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, January 12, 2016, at 6:00 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 6:00 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 - absent

Town Staff:

Town Manager Gayle Mabery

Town Clerk/Finance Director Kathy Bainbridge

Human Resources/Community Services Director Janet Perry

Community Development/Economic Director Jodie Filardo

Senior Planner Beth Escobar

Utilities/Public Works Director Wayne Debrosky

Police Chief Randy Taylor

Deputy Clerk Mary Ellen Dunn

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.

CERTIFICATE OF APPRECIATION PRESENTATION – Commander Richard Ellis presented a Certificate of Appreciation to Clarkdale Police Chief Randy Taylor for his enthusiasm and support of the Arizona Rangers, and made him an Honorary Arizona Ranger.

REPORTS

Current Events – A brief summary of current events. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary.

Mayor's Report –

- 12/08/15: Attended String of Pearls meeting
- 12/09/15: Attended Verde Front Leadership Council meeting

- 12/10/15: Reviewed Big Spring Quarterly Assessment;
 - Met with Dave Belskis regarding Sustainability Park and renewable energy projects
- 12/14/15: Attended Camp Verde Interpretive meeting
- 12/17/15: Attended Executive Committee meetings for Arizona Forward
- 12/18/15: Participated in panel discussion on leadership for Verde Valley Leadership
- 01/04/16: Met with Carlton Woodruff, ADOR Deputy Director to discuss TPT implementation;
 - Met with Senator John McCain to talk primarily about water issues, i.e., potable re-use to improve water portfolio
- 01/11/16: Attended Mayors and Managers meeting in Cottonwood
- 01/12/16: Met with Trevor Baggio of DEQ about potable water re-use and DPR.

Vice-Mayor's Report –

- 12/09/15 – Attended meeting for Yavapai County Health Department – 1st public health agency in Arizona to achieve accreditation;
 - Attended MATForce Verde Valley Steering committee meeting – continues to make progress on prescription drug abuse problem;
- 12/10/15 – Served as emcee for Cottonwood Chamber of Commerce Mixer at Verde Valley Senior Center
- 12/15/15 – Participated in Clarkdale photo shoot for Town's Christmas card

Councilmember Bohall's Report –

- 12/15/15 – Participated in Clarkdale photo shoot for Town's Christmas card

Councilmember Regner's Report –

- 12/15/15 – Participated in Clarkdale photo shoot for Town's Christmas card
- 12/16/15 – Attended Verde Valley Board Advisory Committee meeting
- Attended recruitment meeting for Verde Valley Forum

Town Manager's Report –

- River outfitter permitting process progressing; operations expecting to start mid-March or April
- Verde Valley Homeless Coalition meeting tomorrow - focus on "point in time count" over 3 day period last week in January and are busy recruiting volunteers; Police Chief Taylor has informed Town Manager that we occasionally have a small transient homeless population
- MATForce is hosting Community Forum on Heroin at Cottonwood Recreation Center on January 26th
- Also on January 26th the Town will host a Flood Preparedness meeting following council meeting with presentations by Chief Moore, Chief Taylor, Yavapai County Emergency

Management and Yavapai County Sheriff's Office. Clarkdale will provide door to door notifications specifically to people who live along the river and on Sycamore Canyon

Organizational Reports – Reports regarding regional organizations.

CAT/ VVTPO – Cottonwood Area Transit and the Verde Valley Transportation Planning Organization & other transportation affiliations. Councilmember Bohall –

- No report

NACOG - Northern Arizona Council of Governments. Vice Mayor Dehnert –

- No report

NAMWUA - Northern Arizona Municipal Water Users Association. Councilmember Buckley –

- No report

VRBP – Verde River Basin Partnership. Mayor Von Gausig –

- No report

VVLP – Verde Valley Land Preservation. Councilmember Regner –

- No report

YC Advisory Board – A report from the Yavapai College Advisory Board representative. Councilmember Regner –

- No report

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 December 8, 2016 and Special Meeting held the same day.
- B. **Claims** - List of specific expenditures made by the Town during the previous month. December, 2015 check log and PPE dated 11/28/15, 12/12/15 and 12/26/15.
- 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 Cancellation of meeting December 23, 2015
Design Review Board minutes of the meeting held December 2, 2015
Planning Commission minutes of the meeting held December 1, 2015

Parks and Recreation Committee Notice of Cancellation of meeting December 9, 2015

- D. Mutual Aid Agreement between the Yavapai-Apache Nation and the Town of Clarkdale** – Approval of a Mutual Aid Agreement with the Yavapai-Apache Nation for mutual use of law enforcement personnel and resources.

Councilmember Bohall pulled item E.

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

- E. Town Manager’s Evaluation as Written by the Mayor** - Approval of the review of the Town Manager’s Evaluation conducted on December 8, 2015, by Town of Clarkdale Common Council in Executive Session.

The item was pulled by Councilmember Bohall so the Mayor could read the praising evaluation letter written by him about the Town Manager.

Councilmember Bohall moved to approve of Town Manager’s evaluation as written by the Mayor. Councilmember Regner seconded the motion. The motion passed unanimously.

NEW BUSINESS

FISCAL YEAR 2014-2015 ANNUAL FINANCIAL STATEMENTS – Presentation of the Annual Financial Statements and consideration of approval of the 2014-2015 Annual Financial Statements.

The annual audit and the auditor reports have been completed for Fiscal Year 2015. The Annual Financial Statements and Independent Auditors’ Report summarizes all funds including General, Streets, Water, Wastewater, Sanitation, and Cemetery, and is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System (UERS), as required by the Arizona Revised Statutes, and in accordance with the voter-approved alternative expenditure limitation. Included in the report is the Management’s Discussion and Analysis, starting on page 5, which was written by Finance Director Kathy Bainbridge and provides an overview of the financial activities for the fiscal year ended June 30, 2015, along with an introduction to the basic financial statements.

The Governmental Fund Balance/Net Asset Components are located on pages 25 through 34. These pages detail the restricted, assigned and unassigned portions of fund balances in the Governmental Funds and net assets in the Proprietary Funds.

Included in the Notes to Financial Statements starting on page 49 are the Pensions and Other Postemployment Benefits Notes. GASB 68 and 71 required accounting and financial reporting for pensions and were effective for financial statements for periods beginning after June 15, 2014.

Finance Director Kathy Bainbridge presented opening remarks on this agenda item and introduced Scott Graff from Colby and Powell to review the annual financial statements they developed.

Scott provided overview of the audit performed in August, 2015 for the fiscal year 2014-2015. He explained that management is in charge of their own financial statements and that these are free of material misstatements and errors and that good internal controls are in place. The auditors' responsibility is to look at those statements and say whether they are free of error and fraud. Town of Clarkdale received a clean opinion free of material and immaterial misstatements and errors. Their testing of internal controls showed no areas that needed improvement and congratulated the Town on having a good system in place.

Discussion followed regarding the most questioned item in the statements, which Scott described was the new GASB requirement for reporting retirement and pension liabilities because of the large liability. He explained that this liability would be adjusted annually, but that this issue is being experienced nationwide.

Councilmember Regner moved to approve the Annual Financial Statements and Independent Auditors' Report dated June 30, 2015 and Annual Expenditure Limitation Report and Independent Accounts' Report dated June 30, 2015. Vice Mayor Dehnert seconded the motion and the motion carried unanimously.

A RESOLUTION OF THE TOWN OF CLARKDALE, YAVAPAI COUNTY, ARIZONA TO AUTHORIZE THE APPLICATION FOR A DRINKING WATER STATE REVOLVING FUND (DWSRF) LOAN FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (WIFA) - Discussion and consideration of Resolution # 1512 applying for funding from the Water Infrastructure Finance Authority of Arizona (WIFA) of an amount not to exceed \$7,872,000 for refinancing the borrowing for the purchase of the water company with the City of Cottonwood and new water main construction projects.

During the Spring 2015 Strategic Planning the Upper Town Water Main Replacement Project improvements were discussed with Council. The project includes the replacement of aged and failing steel water mains located in the Town of Clarkdale with approximately 14,000 linear feet of new 12-inch and 8-inch C-900 PVC water mains, fire hydrants, and provide new customer service connections from the new mains to the existing meter boxes. The radio-read water meters which replaced the existing aged water meters in 2013 will be reinstalled as part of this project. The new water mains would be tied into the existing 12- inch cast iron water main located on Fifteenth Street and replace all the existing aged water mains from Ninth Street to Sixteenth Street and First North to Third South. These improvements would reduce service outages, reduce water loss through system leaks, improve system pressures and resolve volume issues, and improve fire protection for the Upper Town area in the Town of Clarkdale.

As part of the WIFA Application Staff included connection of existing users in the Luke Lane area to the Clarkdale Metals Water Main which was installed in 2008. The Clarkdale Metals Water Main runs from the 12- inch cast iron water main which runs from Fifteenth Street to the Clarkdale Metals Complex. This will allow the Town to abandon aged and failing water infrastructure which currently supplies water to the users along Luke Lane.

In June 2015 Staff completed a Request For Qualification (RFQ) process for the selection of an engineering firm to provide professional services for the design of the Upper Town Water Main

Replacement Project. At the July 28, 2015 Town Council Meeting, acting on the selection committee's recommendation, Council approved Southwestern Environmental Consultants, Inc. (SEC) to design the project.

WIFA is an independent agency of the State of Arizona and is authorized to finance the construction, rehabilitation, and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest on loans for one hundred percent of eligible project costs.

It is projected that savings from refinancing through WIFA the remaining \$5,500,000 of the Town's 2006 joint loan with the City of Cottonwood that was used to purchase the Clarkdale Water System, will result in enough savings over the life of the loan to finance the proposed capital construction project without any increase to the current water user rate. It is a WIFA requirement that refinancing of an existing WIFA loan must include a construction component.

The amount to be financed from WIFA for new construction would be \$2,372,000.00. Should the Clarkdale Town Council authorize this resolution, Clarkdale's WIFA loan for the Upper Town Water Main Replacement Project will be considered by the WIFA Board at their February 17, 2016 meeting.

By approving this Resolution the Town Council authorizes the Town Staff to apply for WIFA funding for the construction of the Upper Town Water Main Replacement Project.

Utilities/Public Works Director Wayne Debrosky presented information on this agenda item. Debrosky discussed the history of improvements that have been made to the water infrastructure in the Town. Mayor Von Gausig asked if Wayne had any idea how many calls the Town is no longer getting due to leaks and complaints and Town Manager Mabery stated that there had been a significant reduction in leaks and calls about leaks. Debrosky also noted that the entire \$2,372,000.00 would not be spent in this construction. The estimated amount for the project would be in the range of \$1.5 - \$1.8 million.

Grant Hammill, Managing Director from the firm of Stifel, discussed the process of refinancing the debt. He explained that the Town's balance on the loan is just under \$6.1 million and the bonds are standing at 4.75 - 4.8% so re-financing opportunity will be timely and at a much lower interest rate of 2.1 - 2.5%. The interest savings should be approximately \$2 million. That savings will be used to fund the Upper Main Project fulfilling the WIFA requirements.

Town Manager Mabery noted that in the ten years that the Town has owned the water company, it will have replaced about 95% of the 100-year old infrastructure when done with this project.

Councilmember Bohall moved to approve Resolution # 1512, a resolution of the Town of Clarkdale, Yavapai County, Arizona to authorize the application for a drinking water state revolving fund (DWSRF) loan from the Water Infrastructure Finance Authority of Arizona (WIFA) of an amount not to exceed \$7,872,000 for refinancing the borrowing for the purchase of the water company with the City of Cottonwood and new water main construction projects. Councilmember Regner seconded the motion. The motion passed unanimously.

CONDITIONAL USE PERMIT APPLICATION FROM GROUP 2 – Discussion and consideration of a CUP application from Group 2 for a storage facility inside a portion of the existing Highlander Laundromat at 10 N. Ninth Street, Clarkdale, AZ. Assessor's Parcel Number: 400-03-165. This approximately 0.09-acre parcel is located in the Central Business Zoning District.

Group 2 is the owner of the Highlander Laundromat located at 10 N. Ninth Street. This approximately 2,900 square-foot building was constructed in 1918. The building shares a common wall with a line of storage units to the south and an office building to the west. The laundromat has been in operation since the 1970's. The middle section of this building is approximately 1,000 square feet and separated by a wall from the laundromat. This section was previously rented as an apartment. In 1985 this section was incorporated into the laundromat.

According to the property owner, business at the laundromat has decreased steadily since 2008.

The applicant is requesting a conditional use permit to allow this section of the building to be used as a storage rental facility. All storage will be fully enclosed within the existing building.

Zoning and Vicinity

The subject property is zoned CB – Central Business District. Per Section 3-9.C5 of the Zoning Code, storage facilities are a conditional use. Properties to the north of the subject property are also zoned Central Business. Properties to the south across First South Street are zoned R1-A – Single Family Residential.

The entrance to the section of the building proposed to be rented as storage is from the parking lot accessed off of First South Street. There are existing storage facilities along Tenth and Ninth Street. The applicant owns these existing storage units. These units were in existence prior to adoption of Section 3-9-B of the Town Zoning Code requiring a conditional use permit for self-storage units.

In 2012, the Clarkdale Town Council, upon a recommendation from the Planning Commission, approved a conditional use permit for the property at 910 First South Street to be used as a rental storage facility. This property is also owned by the applicant. This use has not caused any issues or generated complaints. The front part of this building is currently being used as the office for SpinWidgets, a graphic design company.

Agency Review

The application was sent to the Public Works/Utilities Department, Police Department, the Building Official and Clarkdale Fire District for review.

No objections were filed regarding this application.

Public participation

Public Notices were sent to 34 property owners and the property was posted on November 30, 2015. A public notice was published in the Verde Independent on November 29, 2015.

No public comment has been submitted regarding this application.

Conditional Use Permit

Per Section 2, Definitions, in the Town of Clarkdale Zoning Code, a Conditional Use is a use permitted in a particular zoning district, after a public hearing and upon showing that such use, in a specified location, will be compatible with surrounding uses provided all required conditions of approval are met.

Analysis**Town Regulations**

Per Section 5-5 of the Town Zoning Code, the Planning Commission shall make findings on a conditional use permit application based on the following six elements:

1. **Applicable Regulations:** Those conditions necessary to assure compatibility of the development of the land in question will be consistent with the purpose of the Zoning Ordinance, Town of Clarkdale General Plan, other statute, and any ordinance or policies that may be applicable.

Staff Analysis – The proposed use is allowed in the Central Business District with a conditional use permit. There are several locations in the same central area where this specific use has been in place for several years without any concerns or issues being documented.

2. **Bulk Regulations:** The site is adequate in size and topography to accommodate proposed use, population density, building height, lot coverage, setbacks, spaces, landscaping, fences and parking. That these elements are compatible with the general character of development in the vicinity of the proposed conditional use and are adequate to properly relate the proposed use with the existing land uses in the vicinity.

Staff Analysis – The existing development on this parcel conforms to the regulations of the Central Business District. No exterior changes are proposed. Staff would note that the entrance to the proposed storage unit is a glass door. Staff is recommending the applicant be required to screen this door with a curtain or blind to block visibility into the proposed storage unit to maintain the neat appearance of the complex.

3. **Performance:** That the location, design and operation characteristics of the proposed use are such that it will have minimal adverse impact on the livability, public health, safety, welfare, or convenience of persons residing or working in the vicinity, to adjacent property, to the neighborhood or to the public welfare in general in that the facility, once completed should not interfere with the day-to-day operations of the existing businesses.

Staff Analysis – The proposed use should have minimal impact on the surrounding neighbors. Adequate parking is available in the existing parking lot.

4. **Traffic Impacts:** The provisions for ingress and egress, public streets and traffic circulation are adequate, or can be upgraded through street improvements as a condition of approval.

Staff Analysis – A nominal increase in traffic to the site is anticipated. Staff is recommending a condition requiring all loading/unloading into the storage unit be conducted in the existing parking lot and not along First South Street.

5. **Landscaping:** Landscaping, and/or fencing of the proposed development, assures that the site development will be compatible with adjoining area and with the intent of Town policies.

Staff Analysis – The site is already in existence.

6. **Nuisance:** That the proposed use will not create a hazard to persons and property from possible explosion, contamination, fire or flood. That the use will not create a nuisance arising from, but not limited to noise, smoke, odors, dust, vibrations, signage or illumination.

Staff Analysis – Staff is recommending a condition of approval prohibiting storage of hazardous materials in this unit. A similar condition was applied to the property at 910 First Street. The applicant enforces this restriction through the rental contract.

Summary: In staff's opinion, and with the recommended conditions, the application is in compliance with the required findings for a Conditional Use Permit.

Planning Commission Recommendation:

The Planning Commission conducted a public hearing on this item at their December 15, 2015 meeting. Having no public opposition, and determining the application meets the requirements of Section 5 of the Town Zoning Code, the Commission unanimously recommended approval of this conditional use permit with three conditions;

1. Applicant shall screen the glass entrance door with a blind or curtain.
2. Vehicles loading or unloading storage items must be parked in the parking lot and not on the public street.
3. Applicant shall prohibit storage of hazardous materials in the building.

Senior Planner Beth Escobar presented opening comments and presentation regarding this agenda item.

Mr. Kurt Snyder, partner of Group 2, presented information to the council supporting his application and describing ability to meet conditions prescribed by Commission.

Councilmember Regner moved to approve the conditional use permit application with three conditions as recommended by the Planning Commission:

1. **Applicant shall screen the glass entrance door with a blind or curtain.**
2. **Vehicles loading or unloading storage items must be parked in the parking lot and not on the public street.**
3. **Applicant shall prohibit storage of hazardous materials in the building.**

The motion was seconded by Vice Mayor Dehnert and passed unanimously.

GROUNDWATER MODELING TO ASSESS WATER RESOURCES MANAGEMENT ALTERNATIVES WORK SESSION: Presentation and discussion of Groundwater Modeling to Assess Water Resources Management Alternatives.

As funded by the Walton Family Foundation, Town Staff in collaboration with experts from the Water Resources Research Center and Lacher Hydrological Consulting embarked on a project to gather the most knowledgeable and creative minds working in the industry to craft an approach to fulfill our vision and ensure water sustainability for Clarkdale. At the November 18, 2014 meeting of the Clarkdale Town Council, the recommendations from the Water Resources Management Program were considered.

Since that time, Dr. Laurel Lacher, a member of the initial team working on the Water Resources Management Program has worked on refinement of the Northern Arizona Regional Groundwater Flow Model to better predict water supplies available to the Town. In addition, she has explored alternatives for water resources management for the Town. This work has been funded by the remainder of the Town's Walton Family Foundation support of the Sustainable Clarkdale Initiative. This grant funding was complete as of the end of December, 2015.

Community Development/Economic Director Jodie Filardo presented opening comments and introduced Dr. Laurel Lacher to Council.

Dr. Lacher presented her findings to Council in a work session and commented on the excellent quality of effluent that the Town has available for re-use.

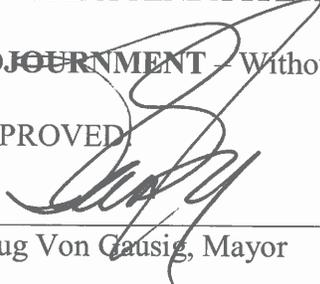
Council directed staff for any additional work on the water management alternatives recognizing the grant-funded project is now considered complete.

This is scheduled for a work session only. No council action is needed.

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

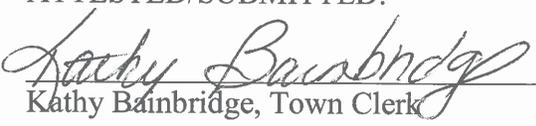
ADJOURNMENT - Without objection, Mayor Von Gausig adjourned the meeting at 8:20 P.M.

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 12th day of January, 2016. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 10 day of February, 2016.

SEAL



Kathy Bainbridge, Town Clerk