

**Minutes of a Special Session of the Common Council of the Town of Clarkdale  
Held on Tuesday, April 26, 2016**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, April 26, 2016 at 3:00 P.M. in the Clarkdale Administration Building, Community Room, 39 N. Ninth Street, Clarkdale, Arizona.

**CALL TO ORDER – Meeting was called to order at 3:02 P.M. by Mayor Von Gausig.**

Town Council:

Mayor Doug Von Gausig

Vice Mayor Richard Dehnert

Councilmember Scott Buckley

Councilmember Bill Regner

Councilmember Curtiss Bohall

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

Police Chief Randy Taylor

Utilities/Public Works Director Wayne Debrosky

Utilities Supervisor Ellen Yates

Public Works Superintendent Art Durazo

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.**

**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 – March, 2016
  - Capital Improvements Report – March, 2016
  - Magistrate Court Report – March, 2016
  - Clarkdale Fire District Report and Mutual Aid Responses Report – March, 2016
  - Police Department Report – March, 2016
  - Quarterly RICO Report – January – March, 2016

**Councilmember Buckley moved to accept Consent Agenda item A as presented. Councilmember Regner seconded the motion and the motion passed unanimously.**

### **NEW BUSINESS**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FROM ITS DRINKING WATER REVOLVING FUND PROGRAM; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE MANAGER AND THE FINANCE DIRECTOR OF THE CITY; PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS RESOLUTION AND DECLARING AN EMERGENCY** – Discussion and possible action on Resolution #1518, a resolution approving funding from the Water Infrastructure Finance Authority of Arizona (WIFA) of an amount not to exceed \$8,000,000 for refinancing the borrowing for the purchase of the water company with the City of Cottonwood and new Upper Clarkdale Water Main Replacement project.

During the Spring 2015 Strategic Planning the Upper Town Water Main Replacement Project improvements were discussed with Council. The project includes replacing approximately 12,700 linear feet of 90 year old steel pipe, sized 4 and 6 inches on Main Street from 9th Street to 16th Street with 8 and 12-inch polyvinylchloride pipe including installing related water infrastructure, such as fire hydrants, street valves, customer water service connections and blow-offs. 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 by installing approximately 1,400 linear feet of 8-inch polyvinylchloride pipe along Luke Lane to the Clarkdale Metals Corporation Water Main to replace 3,000 linear feet of aged, failing steel water mains. 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 had also approved a grant in the amount of \$35,000 towards design of the project.

In January, 2016, The Council approved Resolution # 1512, authorizing 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.

The WIFA Board, at their February 17, 2016 meeting, approved allocating funding to Clarkdale for refinancing 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 along with \$2,372,000 for the new Upper Clarkdale Water Main Replacement project costs. At that same meeting, the WIFA Board awarded Clarkdale \$500,000 in forgivable principal.

Grant Hamill, Financial Advisor, Stifel, Nicolaus & Company will review the borrowing process and financial outcomes.

The Resolution includes an emergency clause which requires a 2/3 affirmative vote to be enacted.

Utilities/Public Works Director Wayne Debrosky introduced Grant Hamill who presented information on this debt refunding loan.

**Councilmember Regner moved for the approval of Resolution # 1517, A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FROM ITS DRINKING WATER REVOLVING FUND PROGRAM; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE MANAGER AND THE FINANCE DIRECTOR OF THE CITY; PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS RESOLUTION AND DECLARING AN EMERGENCY. Vice Mayor Dehnert seconded the motion and the motion passed unanimously.**

Voting Member	Aye/Nay
Council Member Curtiss Bohall	Aye
Council Member Scott Buckley	Aye
Vice Mayor Richard Dehnert	Aye
Council Member Bill Regner	Aye
Mayor Doug Von Gausig	Aye

**YAVAPAI COLLEGE PRESENTATION** – Dr. Wills, President of Yavapai College, provided an update on Yavapai College.

**This is scheduled as a presentation only, no action required.**

**LOVEN CONTRACTING BID FOR THE CONSTRUCTION OF THE TOWN OF CLARKDALE MEMORIAL CLUBHOUSE ADA IMPROVEMENTS PROJECT** – Discussion and consideration of accepting the bid of \$225,849.336 from Loven Contracting for the Clubhouse ADA Improvements Project, entering into a contract with Loven Contracting for the Clarkdale Memorial Clubhouse ADA Improvements Project; authorizing the Town Manager to execute the contract; and

directing the Public Works/Utilities Director will issue a Notice To Proceed.

On July 8, 2014 Town Council Approved Resolution #1471 allowing staff to move forward with the submission for FY14 Federal Community Development Block Grant (CDBG) funds and to submit the Letter of Intent with Resolution #1453 to the Arizona Department of Housing (ADOH) for project review and funding. The total amount of funding that was approved for this project was \$266,693.00. After payment of \$5,000.00, to Northern Arizona Council of Governments (NACOG) for project administration, the total balance that is left for design and construction is \$261,693.00.

At the August 25, 2015 Town Council Meeting the Town of Clarkdale contracted with Architecture Works Green, Inc., an architectural/engineering design firm, to provide professional services for the design of the Town of Clarkdale Memorial Clubhouse ADA Improvements Project. The contract amount of professional design services was \$35,500.00 plus the contingency of \$2,500.00. This leaves \$226,193.00 for construction.

After a review of the bid amounts and discussions with Architecture Works Green, Inc. and the ADOH about the amount of CDBG funding available and the amount of the bids, we were required by the ADOH to reduce the scope of the project and to rebid the project.

On February 24, 2016 staff met with Architecture Works Green to discuss the bids that were received under the original project scope, and how to reduce the project scope to a level where construction could be funded by the available FY14 CDBG funds. The revised project scope was approved by the Department of Housing and presented to Council at the March 8, 2016 Town Council Meeting. At that Meeting the Town Council voted unanimously approved the revised project scope and directed staff to rebid the project using the revised project scope as recommended by staff.

The recommended revised project scope with bid alternates is presented below.

Revised Project Scope:

Base Bid: ADA modifications to the existing men's and women's restrooms in the Auditorium including sinks, toilets, urinals, partitions, grab bars, dispensers, mirrors, flooring and wall tile, heaters, and relocating or replacing existing doors and door frames.

Alternate #1, replacement of all three sets of double doors in the front of the Auditorium;

Alternate #2, installation of a push button automatic opener on the left hand set of doors;

Alternate #3, installation of a new free-standing sign next to the ADA ramp;

Alternate #4, installation of a new ADA compliant entry ramp in front of the Auditorium.

Staff and Architecture Works Green, Inc. completed the necessary bid documents and the Request For Proposals (RFP) was advertised on March 3, 2016. On March 23, 2016 there was a mandatory pre-bid meeting that had two contractors present. At 3:00 pm on April 6, 2016 the RFPs from the two qualified contractors were opened with the bid results outlined below.

Clark Memorial Clubhouse ADA Improvements – Bid Results - April 6, 2016:

**Loven Contracting**

**Wooddruff Contracting**

Base bid        \$155,685.97

Base bid        \$210,780.00

Bid Alternates:		Bid Alternates:	
#1	28,663.67	#1	29,350.00
#2	4,121.93	#2	9,666.00
#3	1,933.41	#3	2,950.00
#4	<u>35,444.31</u>	#4	<u>32,860.00</u>
Total:	\$225,849.29	Total:	\$285,606.00

Utilities/Public Works Director Debrosky presented information on this agenda item.

**Councilmember Bohall moved to accept the \$225,849.29 bid from Loven Contracting for the Clubhouse ADA Improvements Project, enter into a contract with Loven Contracting for the Clarkdale Memorial Clubhouse ADA Improvements Project; authorize the Town Manager to execute the contract; and direct the Public Works/Utilities Director to issue a Notice To Proceed. Councilmember Regner seconded the motion. The motion carried unanimously.**

Following a five-minute recess, Mayor Von Gausig reconvened the meeting.

**FISCAL YEAR 2016-2017 PRELIMINARY BUDGET WORKSESSION** – A worksession with the Council regarding the Preliminary Budget for FY 2016-2017.

A Power Point presentation of the 2016-2017 Fiscal Year Preliminary Budget will show the combination of projected expense and revenue reductions/increases throughout the General Fund and Streets Fund.

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 preliminary budget. Functionally though, the Town of Clarkdale adopts a preliminary 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 preliminary 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.

**Proposed Timeline:**

March 22, 2016	Preliminary Budget Worksession
April 26, 2016	Preliminary Budget Worksession
May 24, 2016	Preliminary Budget Worksession
June 14, 2016	Preliminary Budget Worksession (If Needed)
June 28, 2016	Approval of Preliminary Budget
July 26, 2016	Public Hearing for:
	Final Budget
	Property Tax Levy
	Truth In Taxation
	Resolution on Primary Property Tax Rate
	Adoption of Final Budget
August 9, 2016	Adopt Property Tax Levy

Town Clerk/Finance Director Kathy Bainbridge presented information on this agenda item.

2016-2017 Preliminary Operational Budgets:

<u>Fund</u>	<u>Expense Budget</u>	<u>Revenue Budget</u>
▪ General Fund	\$ 3,423,028.70	\$ 3,423,028.70
▪ HURF - Streets	\$ 435,581.38	\$ 435,581.38
▪ Capital Projects	\$ 651,500.00	\$ 651,500.00
▪ Verde River Raps	\$ 44,025.98	\$ 44,025.98

Council discussed the ‘alternate choices’ presented by Finance Director.

Mayor Von Gausig stated that the Streets budget needs heavier investment over the next few years in order to avoid completely replacing the streets in the future at huge debt and expense. He further stated that this is the biggest challenge facing the Town. He does not want to sacrifice the 3% COLA for employees.

Vice Mayor Dehnert stated he would like to see results of a study that would indicate street improvement priorities and most urgent needs. He would also like to see the full time library staff person added but it may need to happen next year as the COLA and streets should come first.

Councilmember Regner discussed an increase in the local sales tax and Town Manager Mabery stated that some time could be spent at Strategic Planning discussing that. She noted that if there would be an increase in sales tax she would like to see it tied in to funding streets.

Property taxes were also discussed and the Council direction was to raise the property tax. Council has authority to take levy to maximum without going to voters.

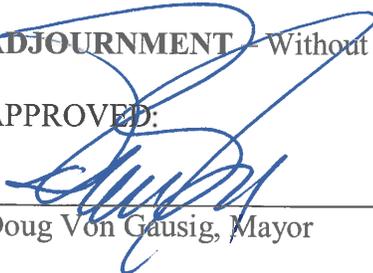
There was also discussion about purchasing versus leasing the new backhoe and Council member Bohall inquired about the expense and practicality of leasing rather than purchasing a new phone system.

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

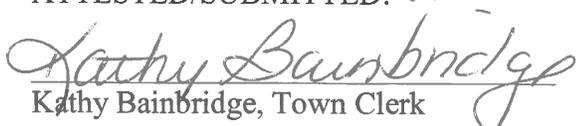
**FUTURE AGENDA ITEMS** - Listing of items to be placed on a future council agenda.

**ADJOURNMENT** - Without objection Mayor Von Gausig adjourned the meeting at 6:20 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 26<sup>th</sup> day of April, 2016. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 11 day of May, 2016.

SEAL

Kathy Bainbridge  
Kathy Bainbridge, Town Clerk