

Minutes of a Special Meeting of the Common Council of the Town of Clarkdale Held on Tuesday, April 5, 2005.

A Special meeting of the Common Council of the Town of Clarkdale was held on Tuesday, April 5, 2005 at 6:00 p.m. in the Men's Lounge of the Clark Memorial Clubhouse, 19 N. Ninth Street, Clarkdale, Arizona.

Town Council:

Mayor	Doug Von Gausig
Vice Mayor	Jerry Wiley
Councilmember	Frank Sa
	Patricia Williams
	Vacancy

Town Staff:

Town Manager	Gayle Mabery
Town Clerk	Joyce Driscoll
Town Attorney	Robert Pecharich
Com. Dev. Director	Steven Brown
Public Works Mgr	Steven Burroughs
Finance Director	Coleen Gilboy
Police Chief	Pat Haynie

Others in Attendance: Robyn Prudhomme-Bauer, Rex Williams and Curt Bohall

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 6:00 p.m. and noted that all members were present.

PUBLIC COMMENT - None

AGREEMENT - Review of a completion Agreement between Capitol Indemnity Corporation and the Town of Clarkdale regarding the Municipal Facility Improvement Project, and approval of a Settlement Agreement, Release and Assignment of said Completion Agreement between Capitol Indemnity Corporation and the Town of Clarkdale.

Town Attorney Pecharich stated he was pleased to announce that Capitol Indemnity has reached a completion agreement with Straightline Builders and that Capitol Indemnity will be the bonding company. He summarized the agreement as follows:

1. Start time is 14 days from notice.
2. 60 days completion deadline from shop

drawings being approved.

3. Capitol Indemnity provides the funds to pay Straightline in full.
4. Capitol Indemnity will assign the contract between themselves and Straightline to the Town of Clarkdale.
5. Capitol Indemnity reimburses the Town for costs incurred including attorney fees, architect services and temporary office space.
6. Capitol Indemnity pays for latent defects from the previous contractor.

Mayor Von Gausig moved to approve the Settlement Agreement, Release and Assignment of a Completion agreement between Capitol Indemnity Corporation and the Town of Clarkdale. Vice-Mayor Wiley seconded and the motion passed unanimously.

Town Attorney Pecharich excused himself from the meeting at 6:07 p.m.

BUDGET WORKSESSION - A worksession on the fiscal year 2005-2006 budget for Wastewater and Water.

Finance Director Gilboy reviewed the history of the wastewater infrastructure and user fee rates and the components of the current user fee. She reported on the following:

1. How commercial wastewater bills are computed.
2. Staff is proposing a wastewater user fee increase to \$20.47 per month.
3. Review of how utility fees must be approved per statute.
4. A Utility Director would be hired and funded 50% with water revenues and 50% with wastewater.
5. The wastewater capacity fee for residential customers was increased from \$1,000 to \$3,242, effective 7/1/04.

- 6. Staff is recommending the commercial capacity also be increased.

The Council gave direction to staff to increase the commercial capacity and user fees.

Finance Director Gilboy continued:

- 7. The Town did sludge removal on the aeration pond in 2003-2004.
- 8. ADEQ requires sludge removal from the settling pond for an APP permit to be issued. Can be partially paid through the current CDBG grant. The remaining cost must be covered by town funds.
- 9. Ten percent of user fees fund line replacements.
- 10. In 2004-2005 funds were budgeted to TV existing lines to determine their condition. This is currently being worked on.
- 11. The wastewater plant and equipment improvements fund is comprised of sewer capacity fees and the interest that they generate.
- 12. Additional funding was secured from the Mountain Gate Development.
- 13. Phelps Dodge and Rural Development are paying for the effluent line construction.
- 14. Funding for construction of a new wastewater treatment plant will be funded by Mountain Gate and Cliffrose development funds, current funds on hand and bonding through WIFA.
- 15. After the effluent quality is upgraded it can be sold.
- 16. The Town has one sewer lift station and another one will be constructed when the new wastewater treatment is built.
- 17. The property owners who benefit will incur the cost of the second lift station installation.
- 18. The wastewater Development Projects fund is used to build new interceptor lines (wastewater impact fees).
- 19. A development fee study is needed.

- 20. The anticipated acquisition of the water company is 6/30/05.
- 21. The Town needs a feasibility analysis and rate study.
- 22. Anticipate adopting water fees May 10, 2005.
- 23. Staff recommends creating a Wastewater Debt Service fund to finance the debt service costs and a wastewater feasibility study from capacity fees and any additional expense from the 1% Construction Sales Tax.

The Council directed staff to create a Wastewater Debt Service fund to finance the debt service costs and a wastewater feasibility study from capacity fees and any additional expense from the 1% Construction Sales Tax.

FUTURE AGENDA ITEMS

Discussion of Highway 260.

ADJOURNMENT - With no further business before the Council, and without objection, the meeting adjourned at 7:05 p.m.

APPROVE:

Doug Von Gausig, Mayor

ATTEST:

Joyce Driscoll, Town Clerk

SUBMIT:

Charlotte Hawken, Admin. Assistant