

Minutes of a Regular Meeting of the Common Council of the Town of Clarkdale Held on Tuesday, April 11, 2006.

A Regular meeting of the Common Council of the Town of Clarkdale was held on Tuesday, April 11, 2006 at 6:00 p.m. in the Men’s Lounge of the Clark Memorial Clubhouse, 19 North Ninth Street, Clarkdale, Arizona.

Town Council:

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

Town Staff:

Town Manager	Gayle Mabery
Comm. Dev. Director	Sherry Bailey
Public Works Director	Steven Burroughs
Finance Director	Carlton Woodruff
Deputy Town Clerk	Walt Good
Admin. Assistant	Janet Perry
Fire Chief	Jerry Doerksen
Police Chief	Pat Haynie

Others in Attendance: Robyn Prud’homme-Bauer, Ellie Bauer, Teri Von Gausig, Greta Schiegg and Curt Bohall.

AGENDA ITEM: CALL TO ORDER - Mayor Von Gausig called the meeting to order at 6:05 p.m. and noted that all Council members were present.

AGENDA ITEM: PUBLIC COMMENT -

Ellie Bauer, 1201 Main, stated that Karen Bult, from the Arizona Office of Tourism, was in town to visit and see the Chamber project and how the grant was being used. Also Dr. Horton will be at the Chamber meeting on Thursday and invited everyone to attend. Also the League of Women Voters meeting will be April 20th. Also she thanked the Mayor for an in-depth discussion on water at the last meeting.

Robyn Prud’homme-Bauer, 1350 Cholla, stated the Old Town Players have an upcoming performance called Over the River and Through the Woods beginning April 21st with an Italian menu being served at the gala.

Frank Sa, 309 Main, stated there will be a Cement/Concrete Seminar at the cement plant on Thursday with people from all over the world attending.

AGENDA ITEM: INFORMATIONAL REPORTS-

MAYOR’S REPORT - A report from the Mayor on current events. Mayor Von Gausig reported:

1. He attended a Verde Valley Natural Resource Committee meeting.
2. He attended the Mayors/Managers meeting where they discussed development, growth and transportation.
3. He met with Tim Collins from ASU, who is seeking information on water. He is interviewing leaders from all of the rural areas on water issues.
4. He met with Heather Redding with the Nature Conservancy about land acquisitions. They are focusing on Verde River areas.
5. He attended the Verde River Basin Partnership where they talked about organization formation. Prescott and Prescott Valley are talking of boycotting the partnership. The main reason it is in the legislation is to protect the area in future land acquisitions. The meetings will continue, but he is not sure of future representation.
6. He attended meetings between the Town and Phelps Dodge about the Clarkdale tailings, the projects practical aspects, contingency plans and West Nile Virus abatement. The tailings abatement process has begun. After the Design Review Board meeting on 4/12 permits will be processed.
7. He met with Mold-In-Graphics about the large increase in their water rates, the effects and possible solutions. In seeking counsel from other town mayors on similar situations, he was told that under no circumstances should the Town adjust the rates in reaction to situations like that. Large users are paying for ‘replacement values,’ so larger rates for them are more appropriate.
8. He attended the dedication of Tavasci Marsh. He will be on a panel to determine the future use of the marsh.
9. He attended a water meeting about the protection of the regional aquifer. Clarkdale and Cottonwood are working together to protect the system. The relationship between the two towns continues to be very good. They discussed their integrated management plan and the combined approach to water management. The

management plan will be brought to Council for adoption.

- 10. Met with Jerry Brown about his concerns on formation of a fire district. He suggested Mr. Brown attend the budget meetings to learn the whole process.
- 11. He talked with Public Works Director Burroughs about the status of the four wells in the Town.
- 12. He attended a meeting with the Old Town Players about ideas to bring a cultural arts center to the area.
- 13. He attended a meeting on the Verde River Greenway Enhancement. He introduced the idea to State Parks and the Nature Conservancy to consider the land above Tuzigoot Bridge instead of focusing on downstream areas. There are considerations in the process to preserve native fisheries. The river is receiving a lot of attention.
- 14. He attended an Arizona Town Hall session about Arizona's rapid growth. There is a huge population center growing in this area and we are talking about transportation and water issues so far.

TOWN MANAGER'S REPORT - A report from the Town Manager on current events.

Town Manager Mabery reported the following:

- 1. She held a training session for the boards and commissions. She has received feedback that it was a good session.
- 2. There will be a volunteer appreciation event on 4/27.
- 3. Additional budget meetings have been scheduled on April 18th, May 15th and June 6th.
- 4. She received a phone call today about the water rates from a resident. She noted that it will take 1-2 years to even out the cost of the tiered rates. Is it possible to estimate tiers on special funds created? As larger users use more, will they be charged more for the nominal set fees? Or possible tier the additional set fees also. It's a good idea.
- 5. There will be a meeting April 13th about the draft Yavapai County Regional Use Plan.

NACOG - A report regarding the Northern Arizona

Council of Governments. Vice Mayor Wiley stated they discussed transportation, sources of financing road construction, regional growth control and leap-frog development. He anticipates another meeting in August.

NAMWUA - A report regarding the Northern Arizona Municipal Water Users Association. No report.

WAC - A report regarding the Yavapai County Water Advisory Committee. Mayor Von Gausig stated that they discussed water ordinances.

CATS - A report regarding the Cottonwood Area Transit System. No report.

COCOPAI - A report regarding the Coconino Yavapai Resource Conservation District. Councilmember Williams stated that Jan Holder spoke at the meeting and they discussed growth and water issues.

VVLPI - A report regarding the Verde Valley land Preservation Institute. Councilmember Williams stated they discussed grant applications and opportunities for use of the funds.

AGENDA ITEM: 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 approved with one motion. Any items may be removed for discussion at the request of any Council Member.

Vice Mayor Wiley moved to approve Items A through H. Councilmember Sa seconded and the motion passed unanimously.

A) Approval of Minutes of the Common Council
Approval of the minutes of the Regular Meetings held February 14 and March 14, 2006.

B) Claims - List of specific expenditures made by the Town during the previous month.

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 -
February 22 and March 22, 2006
- Design Review Board - March 8, 2006
- Heritage Conservancy Board -
March 15, 2006
- Library Advisory Board - March 2, 2006
- Parks and Recreation Board -

March 13, 2006
Planning Commission -
March 20 and 30, 2006

- D) **Reports** - Approval of written Reports from Town Departments and Other Agencies.
 - Building Permit Report - March 2006
 - Fire Department Report and Mutual Aid Responses Report - March 2006
 - Magistrate Court Report - February 2006
 - Police Department Report - March 2006
 - Cottonwood Area Transit System (CATS) Operations Report - February 2006.

E) **Proclamation** - Adoption of a Proclamation declaring the week of April 23-29, 2006 as Volunteer Appreciation Week.

F) **Special Event Liquor License** - Approval of a Special Event Liquor License for a Clarkdale Chamber of Commerce Block Party to be held May 13, 2006.

G) **Agreement** - Approval of an easement with Transylvania International to facilitate the effluent project.

H) **Grant Application** - Approval of a grant application to enter into a contract with the Governor's Office of Highway Safety (GOHS) for a grant of \$4,000.00 for overtime for DUI Task Force.

AGENDA ITEM: BUDGET WORKSESSION - A worksession regarding the General Fund portion of the fiscal year 2006 - 2007 Budget.

Town Manager Mabery noted that the computer server crashed and lost some data, but Finance Director Woodruff was able to reproduce most of it.

Finance Director Woodruff went over revenue projections for the general fund. On the second page of the spreadsheet, county and state items include from 2004-2005 to last year and next. Figures came from the Arizona Department of Revenue and Yavapai County.

Town Manager Mabery explained the columns. The first column is actual 2004-2005 adjusted year end numbers. The middle column is the current fiscal year. Projections are up to the end of March, the last

few months are estimates. The last column is an estimate for the upcoming fiscal year. Staff is comfortable taking the state estimated figures. The only issue is with the Department of Economic Security census population numbers. Maricopa Association of Governments (MAG) conducted a special census in their area. Those census numbers have to be used when that happens.

Discussion followed on the state shared revenues. Some of these numbers are predicated on upcoming elections. The state shared revenues adjust every ten years. Clarkdale figures are based on the 2005 population. They won't be adjusted again until 2011.

Finance Director Woodruff reviewed the local projected revenues on the first page. The largest jump in projections is for building permits, mostly due to the Mountain Gate development. The projections are very conservative. The Highlands development is to start in July 2006 with occupancy starting in November 2006.

Finance Director Woodruff explained the following issues:

1. The facilities projection remains the same.
2. Court fines stayed relatively the same.
3. Next big growth line item is the local sales tax. The overall increase is \$714,529. More detailed information is shown on the sales tax to allow you to see where taxes are generated.

Councilmember Sa asked if annexation is a possible source of income with large commercial ventures coming to the area.

Finance Director Woodruff stated the forfeiture line remained the same as last year. The property tax line is the projected amount from Yavapai County. He explained the following line items:

4. The court magistrate has no revenue to show.
5. The Yavapai Apache Tribe Agreement is the same as last year.

Account	Description	Actual 2004-2005	Budget 2005-2006	Projection 2005-2006	Budget 2006-2007
A01 40-00 4001	FRANCHISE ROYALTIES	\$ 36,659.51	\$ 38,492.49	\$ 48,223.88	\$ 48,500.00
A01 40-00 4002	BUSINESS & HOME OCC. LICENSES	\$ 9,409.82	\$ 10,000.00	\$ 8,750.00	\$ 10,000.00
A01 40-00 4003	BUILDING PERMITS	\$ 112,877.53	\$ 100,000.00	\$ 428,117.58	\$ 800,000.00
A01 40-00 4004	FACILITIES RENTALS	\$ 3,275.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
A01 40-00 4005	POLICE COURT FINES	\$ 38,116.09	\$ 39,000.00	\$ 39,000.00	\$ 39,000.00
A01 40-00 4006	LOCAL SALES TAX	\$ 514,808.66	\$ 453,267.47	\$ 280,706.20	\$ 306,337.53
	STREETS SALES TAX TRANSFER			\$ 209,605.72	\$ 250,634.09
A01 40-00 4007	ANIMAL CONTROL	\$ 2,273.00	\$ 2,300.00	\$ 2,300.00	\$ 2,300.00
A01 40-00 4008	PROPERTY TAX	\$ 288,157.03	\$ 294,317.00	\$ 294,317.00	\$ 327,383.00
A01 40-00 4009	FORFEITURES, AUCTION, REPOSS.	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
A01 40-00 4016	Construction Related Sales Tax	\$ -	\$ 140,146.32	\$ 69,735.95	\$ 87,944.30
A01 40-00 4017	JEROME MAGISTRATE COURT	\$ 5,789.41	\$ 13,305.36	\$ 13,305.36	\$ -
A01 40-00 4018	YAVAPAI-APACHE TRIBE AGREEMENT	\$ 23,395.64	\$ 21,653.31	\$ 21,653.31	\$ 21,653.31
A01 40-00 4019	GENERAL P&Z	\$ 6,060.00	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00
A01 40-00 4021	POOL INCOME	\$ 5,441.04	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
A01 40-00 4023	FOURTH OF JULY INCOME	\$ 663.30	\$ 750.00	\$ 750.00	\$ 750.00
A01 40-00 4027	FIRE DEPT EQUIP TAX	\$ 59,613.98	\$ 56,605.77	\$ 61,282.10	\$ 69,613.62
A01 40-00 4040	BURN PERMITS	\$ 489.01	\$ 500.00	\$ 500.00	\$ 500.00
A01 40-00 4500	MISCELLANEOUS INCOME	\$ 8,867.11	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00

A01 40-00 4501	DEVELOPMENT & GROWTH	\$ 114,336.25	\$ 150,000.00	\$ -	\$ 150,000.00
A01 40-00 4700	INTEREST INCOME - LGIP	\$ 13,851.25	\$ 2,860.53	\$ 7,079.02	\$ 9,000.00
A01 40-00 4704	POOL PLASTERING INTEREST	\$ 32.09	\$ 77.62	\$ 77.62	\$ 77.62
A01 40-00 4705	INTEREST-PARK LAND FUND	\$ 23.34	\$ 54.67	\$ 54.67	\$ 54.67
A01 40-00 4706	INTEREST-HERITAGE	\$ -	\$ 55.16	\$ 55.16	\$ 55.16
A01 40-00 4992	CASH-HERITAGE	\$ -	\$ 2,206.43	\$ 2,206.43	\$ 2,206.43
A01 40-00 4993	CASH-PARK LAND FUND	\$ -	\$ 9,110.87	\$ 9,110.87	\$ 9,110.87
A01 40-00 4994	CSH-POOL PLASTER FUND	\$ -	\$ 15,523.66	\$ 15,523.66	\$ 15,523.66
A01 40-00 4999	CASH CARRYOVER	\$ -	\$ 494,017.10	\$ 494,017.10	\$ 494,017.10
TOTALS:		\$ 1,244,139.06	\$ 1,913,243.76	\$ 2,075,371.62	\$ 2,718,661.37

Description	Actual 2004-2005	Budget 2005-2006	Projection 2005-2006	Budget 2006-2007
COUNTY SHARED REVENUES				
MOTOR VEHICLE LICENSES	\$ 226,366.30	\$ 237,481.13	\$ 237,481.13	\$ 240,000.00
YAVAPAI COUNTY LIBRARY DIST.	\$ 22,845.00	\$ 22,845.00	\$ 22,845.00	\$ 22,845.00
STATE SHARED REVENUES				
STATE SALES TAX	\$ 319,591.59	\$ 335,207.00	\$ 335,207.00	\$ 357,484.00
STATE REVENUE SHARING	\$ 314,576.11	\$ 358,140.00	\$ 358,140.00	\$ 407,301.00
TOTALS:	\$ 883,379.00	\$ 953,673.13	\$ 953,673.13	\$ 1,027,630.00

6. He increased the general Community Development line conservatively.
7. The pool remained the same.
8. July 4th remained the same.
9. The Fire Department is the same.
10. Burn permits are the same.
11. Miscellaneous income was exceeded in 2004-2005. It should even out with more information.
12. Development Growth is a number for unknown circumstances.
13. Interest income will change as interest rates rise.
14. The next few categories are savings accounts where the revenue has been budgeted for. He wants to change them to asset accounts.
15. Cash Carry Over grows from year to year. The bulk of the money is set aside for building remodel money from GADA.

Finance Director Woodruff noted that if any projections are showing the same amounts as last year that is an indication that more background work will be done on the projections. Some assumptions affecting the General Fund expenditures include the following:

1. State Retirement contributions will increase to 9.1% next year. The Town pays that percentage and the employee matches it.
2. The Court Clerk position going from part time to full time.
3. A health insurance increase in premiums in January 2007 by 6.5%. The budget for the fiscal year will experience only half of that. Compared nationally, that is about half of the average increases.
4. There will be increases in utilities, vehicle fuel costs and the Town water bill.

Town Manager Mabery stated that with Council permission, staff would like to build in the additional items for the next budget draft.

Finance Director Woodruff continued listing assumptions, as follows:

5. Retaining 10% of the General Fund revenues to put in a Contingency Fund, about \$300,000 in a cash account. The goal of a contingency fund is to build it up and keep it at a certain level, not to see the same 10% put in each year. Since there is one-time revenue, it would be a good time to create a contingency fund, and then maintain it with future budgets for lesser cost.
6. Salary adjustments proposals are minimal. The Town may be able to make tenure adjustments next year. There has been progress in adjusting administrative assistant and town crew rates.

There was discussion about new employees in the 5-year staffing plan. The total shown includes all benefits. Staff would like to make merit adjustments between one and three percent. Each percentage point reflects about \$15,000.

If the fire district is formed, the potential windfall is a concern. Town revenues are estimated to be \$250,000. Projections shown do not include growth.

The last line shows a net increase of \$250,000, which is basically property tax revenue, that can be used however the Council sees fit.

Town Manager Mabery noted that it seemed like the Council was in agreement on the first six items.

There was discussion of the following issues:

1. The Council does not want to see the ten percent set aside for a contingency fund spent on something that won't continue.
2. Are continuing funds being considered for the new employees in the 5-year staffing plan? The Building Inspector position is directly tied to the one-time growth of the Town.
3. The following year will require additional wastewater treatment plant positions.
4. The Project Manager position is currently being developed.

- 5. Staff wants flexibility to apply merit adjustments to worthy employees. Staff would specify the desired percentage from a pool of funds to make those adjustments.

AGENDA ITEM: WORKSESSION - A worksession on Town of Clarkdale Drought Preparedness Plan.

Mayor Von Gausig noted that the proposed plan was modeled after the Flagstaff plan and linked with Cottonwood’s plan since we share a water company. He stated that water emergency plan would be a better title.

Town Manager Mabery stated she wants to ensure that the Cottonwood and Clarkdale plans and implementation are the same.

Public Works Director Burroughs stated that Clarkdale should lead by example. Flagstaff has three stages, Peoria has four stages. He likes the four-stage model. Dealing with crisis in both communities in the same way would send the public the same message.

Mayor Von Gausig noted that the Prescott Courier publishes a chart showing demand and storage.

Town Manager Mabery stated she will work with Public Works Director Burroughs and get the plan

ready to share with Cottonwood and preset it to the Council in two weeks.

Public Works Director Burroughs noted that the Town will have the ability to provide reclaimed water in two years.

AGENDA ITEM: FUTURE AGENDA ITEMS - Listing of items to be placed on a future council agenda. Mayor Von Gausig requested an item on the trust lands initiative.

- 1. Mayor Von Gausig would like a worksession to set up a town forum on water with regional participants.
- 2. Councilmember Sa would like a worksession on annexation.

AGENDA ITEM: ADJOURNMENT - With no further business before the Council, and without objection, the meeting adjourned at 8:17 p.m.

APPROVE:

Doug Von Gausig, Mayor

ATTEST:

Joyce Driscoll, Town Clerk

SUBMIT:

Charlotte Hawken, Admin. Assistant