

**Minutes of a Special Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, June 3, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, June 3, 2008, at 3:00 PM. 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 Patricia Williams
Councilmember Curtiss Bohall

Town Staff:

Town Manager Gayle Mabery
Public Works Director Steve Burroughs
Finance Director Carlton Woodruff
Town Clerk Kathy Bainbridge

Assistant Town Manager Janet Perry
Community Development Director Sherry Bailey
Police Chief Pat Haynie
Utility Director Wayne Debrosky

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 3:00 PM and noted that all Council members were present except Councilmember Sa.

PUBLIC COMMENT – Mayor Von Gausig informed the audience that the Council could not reply to comments on items that were not on the posted agenda per state law. The Council is interested in the public's comments, but may not be able to respond other than to offer clarification or direct staff.

Christine Schwab, Clarkdale, was present to comment on the location of engine braking signs, the Mountain Gate sale sign located on private property, and non-notification of water utility work with possibility of water being turned off to the residents. Ms. Schwab was informed to contact Town Manager Mabery for additional information on the items.

NEW BUSINESS

BUDGET WORKSESSION – A Worksession to discuss the 2008-2009 Fiscal Year Budget.

Finance Director, Carlton Woodruff, presented a power point presentation on the 2008/2009 General Fund Budget revenue, General Fund department expenses, contingency planning, and HURF revenues and expenses.

Finance Director Woodruff explained the line item revenues to the Council. Building Permit revenues were budgeted at the base of four to five years ago with a decrease of \$260,000 from 2007, leaving a budget of \$70,000. Sales tax and property tax revenues are the major revenues in the General Fund. Local sales tax was budgeted with an 11% decrease from the total expected 2007 revenue. Property tax was budgeted at \$290,479 which reflects a .71 levy, the same as in 2007. The levy rate could be statutorily raised which would show approximately \$100,000 of additional revenue, but the recommendation of Town Manager Mabery and Finance Director Woodruff was to hold the same levy as 2007.

General Fund department expenditures were budgeted at below base levels. The Administration Department budget had a 29.22% reduction from the 2007-2008 budget, the Clerks Department had a 31.57% reduction, and the ICT Department had a 49.76% reduction. The Town Wide budget, which includes the municipal attorney, audit services, liability and property insurance, along with League dues and leadership development was budgeted with a 9.11% reduction. The Library had a 14.90% reduction in the budget for a total budget of \$50,519, Yavapai County Library District funds \$24,859 of the Library budget. Community Development was budgeted with a 21.71% reduction, Police a 9.21% reduction, Parks & Recreation a 30.06% reduction, Court a 4.75% reduction, and Heritage Conservancy Board a 52.38% reduction. The Pool had a 21.21% increase, which was mostly due to readjustments of salary costs. Buildings had an increase of 6.14%.

The Streets or HURF Fund was budgeted with a 49.41% reduction in expenses with the largest cut in the street improvement and road materials line item. There was a cash carryover of approximately \$78,000.

Mayor Von Gausig questioned Community Development Director Bailey how the cuts in training expenses would affect her department. The Community Development Department will continue trainings to keep up their certifications and will do a lot of their own training in the department and take advantage of Web trainings. The Mayor also questioned Public Works Director Burroughs how the reductions would affect his department. Director Burroughs explained that they should be able to maintain the buildings and streets unless there is a major breakdown and that chip sealing the streets would wait until the fall so revenues could be monitored.

COLA, Merit raises, and the PTO Buyback program are not included in the budget. Any vacancies that occur in positions (through resignations or terminations) will be held vacant, unless approved by the Town Manager as a critical position. Nine of our 64 budgeted positions for FY 08 are frozen at this time and will not be filled in FY 09. Police Department overtime has been reduced by 50% from last year's budget (\$9,000). There is no other budgeted OT in other departments.

Items not funded in next year's budget include: Renovation of Selma Ballfield, signage for ballfield, Phase II of Dorothy Benatz Trail, painting/patching of Clark Memorial Clubhouse, 1

Police Vehicle and Town Hall Building Improvements. The cash Reserve Fund, which was budgeted at 5-10% over the past 2 years will be at 0%. Neighborhood/Community Projects have been eliminated from the budget which are comprised of Council Community Projects (Non-Profit Funding \$4,500), Community Development Neighborhood Projects (\$3,600), and Police Department Neighborhood Projects (\$3,500).

Town Manager Mabery explained future considerations in the event that revenues were less than the projected levels. The current economic slowdown has made it difficult for all government entities, including Clarkdale, to accurately project revenues. If the revenues come in lower than projected, additional cost saving steps will need to be taken next year. This is what was done this year when projections fell short. The difference

next year will be that there will be fewer options for cutting expenses (because we've already reduced so significantly). A list of items that will have to be considered next year if revenues fall short are:

- Closing the Pool for the May-August, 2009 season (estimated savings \$20-25,000)
- Eliminate line item funding for July-October, 2008 Concerts in the Park (may be funded through an existing donation account, \$3,000)
- Eliminating the "temporary" building that houses Public Works and Utilities (estimated savings \$2,900 per month) and absorbing the 6 staff members into other buildings.
- Reducing the transfer of local sales tax revenues from the General Fund to the Streets fund (we currently transfer 40% and would realize \$40,000 in the General Fund for each 5% change in the transfer percentage) Such an action would require eliminating the annual chip seal program for the 2008/2009 budget year (Upper Clarkdale, Paz & Cota and Centerville are scheduled).
- Reducing hours of operation at the Clark Memorial Library.
- "Leave without Pay" option which will have a variety of savings options.
- Reduction in force (RIF)

Town Manager Mabery stated that even in the face of the budget proposed which cuts all departments down to a very basic operating budget, we don't believe that our citizens will notice a significant reduction in their services. However, we do know that our employees will see the effects of the budget cuts every day.

After studying all the cuts, and seeing the options that were presented for dealing with further declines, the Council all stated that any Reductions in Force (RIF's/layoffs) or mandatory unpaid time off would be the absolute last resort that they would consider. In fact, they all stated that before they approved either of those options, they would give up their Council salaries. They also noted extreme appreciation about all the efforts that the staff have put in place to control expenses, and expressed that our employees are among the most important "capital" that the Town has. The Mayor noted that he knows that we've spent years building up to the staff that we now have, and he knows we can not afford to lose any of them.

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

None

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 4:55 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk

**Minutes of a Regular Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, June 10, 2008**

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, June 10, 2008, at 6:00 PM. At Yavapai College Verde Campus, 601 Black Hills Drive, Room M-137, Clarkdale, Arizona.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Jerry Wiley

Councilmember Patricia Williams
Councilmember Curtiss Bohall
Councilmember Richard Dehnert

Town Staff:

Town Manager Gayle Mabery
Public Works Director Steve Burroughs
Finance Director Carlton Woodruff
Town Clerk Kathy Bainbridge
IT Coordinator Peter deBlanc
Town Attorney Rob Pecharich

Assistant Town Manager Janet Perry
Community Development Director Sherry Bailey
Police Chief Pat Haynie
Utility Director Wayne Debrosky
Planner II Normalinda Zúñiga
Deputy Town Clerk Walt Good

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 6:02 PM.

OATH OF OFFICE - Administration of Oath of Office to Mayor-Elect Doug Von Gausig and Councilmembers-Elect Patricia Williams and Richard Dehnert.

Robert Pecharich, Town Attorney administered the Oath of Office to Councilmember Patricia Williams, Mayor Doug Von Gausig, and Councilmember Richard Dehnert.

APPOINTMENT OF VICE-MAYOR - Designation of one Councilmember to be Vice-Mayor

Councilmember Williams nominated Councilmember Jerry Wiley to serve as Vice Mayor; with no other nominations a vote was called. Nomination was approved unanimously and Councilmember Wiley was appointed as Vice Mayor.

PUBLIC COMMENT – Mayor Von Gausig informed the audience that the Council could not reply to comments on items that were not on the posted agenda per state law. The Council is interested in the public’s comments, but may not be able to respond other than to offer clarification or direct staff.

None

INFORMATIONAL REPORTS

MAYOR’S REPORT – A report from the Mayor on current events
Mayor’s Report

1. Met in Prescott to discuss the Bureau of Reclamation's study of the supply of water from now to 2050 with the projected population increase.
2. Met in Clarkdale with Salt River Materials Group to discuss their anticipated transportation needs if the plant doubled its capacity. Several options were discussed no final ideas were formulated. Cost solutions are high and SRMG will participate.
3. Met with Yavapai-Apache Nation Chairman Beauty to discuss a possible letter of support for their water rights to the Verde River.
4. Quarterly Verde Valley Intergovernmental Meeting was held in Jerome, discussed the proposed resolution that will be presented at this years League of Arizona Cites and Towns seminar.
5. Attended State Senator Tom O'Halleran presentation on the State's proposed budget. State is expecting a two billion dollar shortfall and has not kept up with needed infrastructure.
6. Video Conference meeting at Yavapai County Building to discuss SB1575.
7. Had discussion with Magistrate Harry Cipriano, his two year contract will be coming to Council for review.
8. Natural Resources Committee Meeting discussing Yavapai water issues. The removal of water from one basin to another basin for distribution.

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

1. Town Manager Gayle Mabery reminded Council that they will have a Special Council Meeting on Tuesday, June 17, 2008, at 3:00 PM in the Men's Lounge.
2. Saturday, June 14, 2008, there will be a Concert in the Park.
3. Wednesday, June 11, 2008, the quarterly Mayors and Managers meeting will be held in Jerome.
4. Reminded Council of the Fourth of July event in the park.
5. Next Talk About the Town event will be held August 27, 2008, at Lamplighter Village.
6. Gayle Mabery acknowledged and thanked the Yavapai-Apache Nation for presenting shirts to the Council.

NACOG – A report regarding Northern Arizona Council of Governments – No meeting

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

WAC - A report regarding Yavapai County Water Advisory Council. Met in Camp Verde discussed the Central Yavapai Water Study.

CAT – A report regarding Cottonwood Area Transit System – No Report but handed out article from the June 6, 2008 Verde Independent on CAT.

COCOPAI - A report regarding Coconino Yavapai Resource Conservation District - No meeting.

VVLPI – A report regarding Verde Valley Land Preservation Institute – Copy of the May 12, 2008 Meeting were distributed to Council

VVTPO - A report regarding Verde Valley Transportation Planning Organization – Report in packet. Councilmember Bohall and Public Works Director Boroughs had attended the NACOG Transportation meeting in Flagstaff. ADOT will be out of money funds for new construction in 2 years. An initiative is being proposed for the ballot for a 1% sales tax that will fund future roads.

VERDE RIVER BASIN PARTNERSHIP – NO REPORT

CONSENT AGENDA – The consent agenda portions 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 5/13/08 and the Special Meeting held 5/13/08, 5/19/08, & 5/27/08.**
- B) Claims - List of specific expenditures made by the Town during the previous month. PPE 5/10/08, PPE 5/24/08 & May Check/credit card report.**
- 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 minutes of the meeting held 5/28/08
Design Review Board minutes of the meeting held 5/14/08
Library Advisory Board minutes of the meeting held 5/1/08
Planning Commission minutes of the meeting held 5/1/08, 5/22/08
Parks and Recreation Board minutes of the meeting held 5/14/08
Heritage Conservancy Board minutes of the meeting held 5/21/08**
- D) Reports - Approval of written Reports from Town Departments and Other Agencies
Building Permit Report – May 2008
Capital Improvements Report – May 2008
Magistrate Court Report – April 2008
Police Report – May 2008
Water/Wastewater – May 2008
Clarkdale Fire District Report and Mutual Aid Responses Report – May 2008
Cottonwood Area Transit (CAT) Operations Report – April 2008
Verde Valley Humane Society –May 2008**
- E) Letter of Support for the Tavasci Marsh- Wetland Restoration Project at Tuzigoot National Monument – Approval of a Letter of Support to the Arizona Water Protection Fund Commission for the Tavasci Marsh- Wetland Restoration Project at Tuzigoot National Monument.**

Mayor Von Gausig Pulled item D for discussion.

Vice Mayor Wiley moved to accept the consent agenda items A, B, C, and E as presented. Councilmember Williams seconded the motion. Passed unanimously.

Mayor Von Gausig discussed the Water/Wastewater report and identified that the amount of system water loss has decreased from last year. Utility Director Debrosky noted that the well levels will be addressed with Cottonwood and we should have those numbers soon.

Vice Mayor Wiley moved to accept the consent agenda item D. Councilmember Bohall seconded the motion. Passed unanimously.

OLD BUSINESS

REIMBURSEMENT AGREEMENT WITH VERDE VALLEY CHRISTIAN CHURCH – Discussion and consideration of a Reimbursement Agreement for the extension of Water and Sewer lines with the Verde Valley Christian Church (VVCC).

Community Development Director Bailey. Ms. Bailey informed Council of the process that staff and VVCC had taken to come to this agreement and abide by Councils directions. A revised contract had been presented to Council and two changes are being proposed to the Reimbursement Agreement. A change on Page 3, Section 4B and Page 4, Section 8, both changes were verbiage that protected both parties on timelines. The Town's portion is \$97,588.71, the Mayor asked where this figure came from and if it had been verified. Town Manager Mabery informed Council that Interim Utility Director Doba had reviewed the amounts and was confident they were adequate. Mayor Von Gausig asked Tom Pender, Pender Engineering representing the Verde Valley Christian Church, what the churches' share of the project was estimated at being. Mr. Pender said he did not have those numbers with him but thought they would be in the \$350,000.00 range with a total project cost of over \$400,000.00.

Robert Pecharich, Town Attorney, informed Council that the changes were for a second notice to be sent for protection of the Town and VVCC.

Mayor requested that the word Mylar pertains to a brand name and would like the industry name placed in the description of product being requested.

VVCC would receive a credit for Water/Wastewater Impact Fees but would have to still pay all other impact fee due.

Vice Mayor Wiley moved to approve the reimbursement agreement with the proposed changes with Verde Valley Christian Church for the Town's participation in the extension of water and sewer lines along Broadway and Centerville Road. Councilmember Dehnert seconded the motion, motion approved unanimously.

NEW BUSINESS

LETTER OF SUPPORT FOR SETTLEMENT OF THE YAVAPAI-APACHE NATION'S WATER RIGHTS AND THEIR REQUEST FOR A FEDERAL WATER NEGOTIATING

TEAM – Discussion and consideration of a letter of support for the settlement of the Yavapai-Apache Nation’s (YAN) water rights and their request for a federal Water Negotiating Team which would ensure fair resources for water for the Nation, and reassure Verde Valley residents that the Verde River will remain free-flowing.

Mayor Von Gausig introduced YAN Chairman Beauty and informed Council of the reasons for the letter of support for the Nation. Chairman Beauty stated that this is a first step and had already met with the Town of Camp Verde and City of Cottonwood.

Vince Randall, YAN Elder, stated the Nation’s intent was to keep the Verde River flowing.

Councilmember Williams moved to approve the letter of support for the settlement of the Yavapai-Apache Nation water rights and their request for a Federal Water Negotiating Team. Seconded by Councilmember Bohall, motion was approved unanimously.

LIQUOR LICENSE FOR MAIN STREET CAFÉ & PIZZERIA – Discussion and consideration of a recommendation to the Arizona Department of Liquor License and Control for approval of a liquor license application from Main Street Café & Pizzeria located at 920 Main Street in Clarkdale.

Deputy Town Clerk Walt Good informed Council that the property had been posted as required by state statues and the applicants had paid the Town the \$100.00 application fee as required by the Town’s Fee Schedule and introduced Sophia Serrano from Main Street Café & Pizzeria.

Councilmember Bohall moved to recommend to the Arizona Department of Liquor License and Control, approval of a liquor license application from Main Street Café & Pizzeria located at 920 Main Street in Clarkdale. Seconded by Vice Mayor Wiley, motion was approved unanimously.

**RESOLUTION NAMING AN EASEMENT FROM STATE ROUTE 89A TO VALLEY VIEW CEMETERY – Discussion and consideration of Resolution # _____ naming the easement from 89A to the Valley View Cemetery.
Resolution # 1267**

Planner II Zúñiga provided Council with the description of the proposed easement. Discussion was held about Avenida Centerville association to Centerville Road. Centerville Road will eventually run from the cemetery to Broadway and Avenida Centerville will connect perpendicularly to Centerville Road.

Councilmember Williams moved to approve Resolution #1267 naming the easement that runs perpendicular from State Route 89A to Valley View Cemetery as Centerville Road. Motion seconded by Vice Mayor Wiley, motion was approved unanimously.

RESOLUTION NAMING AN EASEMENT PERPENDICULAR TO HWY 89A– Discussion and consideration of approving Resolution # ____ naming of the easement that runs

perpendicular to State Route 89A and between Assessor's Parcel Numbers 406-26-010H, 406-26-344A, 406-26-348, 406-26-010T, and 406-26-010Y.

Resolution # 1268

Planner II Zúñiga provided Council with the description of the proposed easement. Town Manager Mabery questioned why Gambel Way had not been considered as it is a name of a local quail species. Ms. Zúñiga replied that it was a name of a parcel owner on that easement.

Councilmember Williams asked if this easement would eventually connect with Old Jerome Highway and Ms. Zúñiga replied that was a possibility. Councilmember Williams asked if that would cause a drainage problem in Mescal North Wash and Public Works Director Boroughs replied that it should not.

Vice Mayor Wiley moved to approve Resolution #1268, naming the easement that runs perpendicular to State Route 89A, and between Assessor's Parcel Numbers 406-26-010H, 406-26-344A, 406-26-348, 406-26-010T, and 406-26-010Y, Paloma Way. Seconded by Councilmember Bohall, motion was approved unanimously.

WORKSESSION ON ICT SYSTEMS – Report about the Information and Communication Technology (ICT) upgrades performed this past year, new system capabilities, and possible future initiatives.

IT Coordinator deBlanc informed Council of the System and Technology Enhancement Program (STEP) along with what the program goals were, what had been accomplished, and what is to come.

Project Goals

1. Council recognized the limitation the old system had and budgeted to make ICT changes.
2. Five Year Technology Plan Created
3. Business class systems
4. Ensure all equipment and programs were supported

Design Guidelines

5. Size the system larger than anticipated needs
6. Minimize complexity – keep it simple
7. Strive for efficiency

What Has Been Done

8. Install high speed fiber optics
9. Install Cisco routers and network switches.
10. Install Cisco Phone System
11. Install Hewlett Packard Servers
12. Implement a virtualized server design
13. Centralized hardware purchasing
14. Standardize desktop and laptop platforms
15. Desktop rotation program
16. Licensed software

These projects will be completed in the near future.

What Needs to be Done

1. Bring email and web service in house
2. Upgrade PC's to Vista and Microsoft 2007
3. Integrate Police Computers
4. Educate staff on use of new technology
5. Create a technical system operation manual
6. Create end user policy and procedures
7. Implement automated management tools to monitor system for potential issues
8. Fully secure remote access
9. Upgrade Town Hall wiring
10. Train backup
11. Install network and wiring in Club House
12. Extend voice/data network to wastewater system

The possible future for ICT

Looking Ahead Possibilities

1. Town wide wireless
2. Consolidated ICT for Verde
3. Fiber to the premises in Clarkdale

Mayor thanked Mr. deBlanc for his presentation and work on bringing the Town into the lead in the area on ICT. In the past four years Clarkdale has gone from the back to the front. Questions on the systems security if we go to a system where employees can work from their homes. Mr. deBlanc replied that he has a high level of security already built into the system.

SPIRIT OF CLARKDALE - Discussion and consideration of the committee recommendation to Council on the 2008 "Spirit of Clarkdale" nominations.

Deputy Town Clerk Good advised Council the Spirit of Clarkdale nomination review committee had met and is recommending that these applicants receive the 2008 Spirit of Clarkdale Award. The committee also recommends to Council that a new "Green" category be created to acknowledge those individuals that are trying to save our natural resources.

Councilmember Williams moved to approve the nominations as presented and instruct staff to add a new award category "Green" for future award nomination consideration. Motion seconded by Vice Mayor Wiley, motion was passed unanimously.

WORKSESSION ON THE APS FRANCHISE AGREEMENT-- Discussion and possible direction to staff on the revised APS Franchise Agreement.

Town Clerk Kathy Bainbridge presented Council with the proposed APS Franchise Agreement and the process staff had utilized to get to this point. This is a twenty-five year agreement that has to go before the voters of the Town for acceptance. The agreement is

proposed to be on the November 2008 election and to accomplish this, Council needs to approve the 100 day Call for Election at the July Regular Council Meeting.

APS had given the Town a boiler plate Franchise Agreement but the Town reviewed other agreements that had been made recently with APS discovering other Towns and Cites had not used the boiler plate but negotiated a different agreement. All Department Heads have worked on the Clarkdale proposed agreement and it had been forwarded to APS for review. APS Franchise & Technical Service Manager Keith Van Ausdal came to Clarkdale to discuss the differences and work on formulating an agreement. The revised agreement was forwarded to APS and the areas that APS has taken exception to were noted in their response email.

Page 4 of 15, Section 3 - B. APS wanted to strike the sentence "All functions of the Town which are not specifically determined by law to be proprietary are governmental." In the APS response email they state, "1. We will determine on a case by case basis whether any projects undertaken by the Town would not be governmental, that is, they would be proprietary, rather than relying on a determination by law." Discussion was held and Council instructed staff to retain this verbiage so that another agency was not decided what is proprietary or what was governmental. Council also requested staff to remove verbiage on Page 5 of 15, Section 3 – B remove the last sentence "Governmental function include, but are not limited to, the following:

1. Any and all improvement to Town's public rights-of-way;
2. Establishing and maintaining domestic water systems, sanitary sewers, storm drains, and related facilities;
3. Establishing and maintaining municipal parks, parking spaces, parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purpose of landscaping any street or public property;
4. Providing fire protection and other public safety functions; and
5. Collection and disposal of garbage and recyclables."

On Page 7 of 15, Section 4, APS would like to strike the last line "Grantee shall file with the Town documentation of such liability insurance, self retention or general asset program within 60 days following the effective date of this Franchise and thereafter upon the annual anniversary of the effective date." In the APS response email they state "There is absolutely no reason for the administrative burden of supplying Clarkdale or other cities and towns evidence of insurance. APS is self insured to \$2 million and carries supplemental insurance of hundreds of millions of dollars." Kathy Bainbridge sent the APS reply on this to risk pool program administrator to get an opinion on the Indemnity Clause Question. Ed Bantel replied via email "In my opinion you absolutely have the right, in fact the obligation, to make sue (sic – sure) they have insurance and that you are named as an additional insured. Agreeing to indemnify is useless unless they have the assets or insurance policy to make good on the indemnification agreement." After discussion council directed staff that this section should remain in the agreement.

Page 8 of 15, Section 5, APS would like to strike in the first paragraph, "...established by ordinance of the Town." and in sentence one of the second paragraph, "...Town's duly

adopted...as may be amended from time to time,...". In APS response email, "{APS or our contractors always have and always will repair street cuts using the using the best available materials and construction practices ("industry standards") and do so to the satisfaction of the Town. However, we will not agree to a provision that allows the Town to unilaterally require APS to "gold plate the Streets" pursuant to some future ordinance.}" Discussion by Council was that the Town did not want to hold APS to any different standard than any other contractor or utility just to the same standard. Council directed staff that removal of the end of sentence in paragraph one was acceptable but would prefer revised verbiage in paragraph two such as, "...be done in a manner acceptable to the town."

Page 11 of 15 Section 11 last sentence, APS would like stricken, "If Section 6 shall be adjudged invalid or unconstitutional in whole or in part by a final judgment, this Franchise shall immediately terminate and shall be of no further force or effect." The APS email response was, "If for any reason the payment of franchise fees is adjudged as invalid or unconstitutional, then terminating the current franchise to only enter into a new franchise that would also be under the same prohibition of payment of franchise fees makes no sense. We would certainly want the other provisions of the franchise to remain in force." Discussion by Council that if Section 6 Franchise Fee is adjudicated then that removes the largest benefit the Town of Clarkdale would garner from the agreement and a reason that the voters may have had in passing the agreement. Council directed staff to revise verbiage to staying enforce until the "next General Election of the Town of Clarkdale."

Page 11 of 15, Section 12, with possible future information and communication technology advancements the Council would like the last sentence to add, "...and network:...". This could provide for the future if the Town was able to read water meters by remote electronic communication or some other device that would benefit Clarkdale residents.

Council directed staff to make these changes and work with the Town Attorney on verbiage and communicate back to Council.

The existing APS agreement expires in June 2009. If the Town cannot come to an agreement with APS in time to make the 100 day call for election for November 2008, then May of 2009 would be the next date.

BUDGET WORKSESSION – A Worksession to discuss the 2008-2009 Fiscal Year Budget.

Finance Director Woodruff presented the Donation, Development and Sanitation fund sections of the proposed 2008-2009 Fiscal Year Budget, handout was provided to Council.

Donation budget accounts were discussed, the Town can only expend what is projected in the budget. Donations receipts have to be estimated for the next year so if they do become available they can be expended. Excess funds can be rolled over to the next fiscal cycle. The Yavapai-Apache Nation Prop 202 Funds received each year are now being scrutinized. In the past the Town has adhered to the wishes of the Nation and passed through amounts to designated recipients. The Town needs to develop a plan to disperse these funds in

accordance with statutes. Discussion was held and Council directed staff to prepare a plan to disperse the funds through the Non-Profit Funding Program and report back to Council.

Development budget accounts are payments due from Development Agreements. The expenditure funds are the funds paid for professional services, the revenue side is the payments made by the developers. The development fund balance is in the negative because of payments not received from the developers.

Sanitation budget account changes are equipment purchases that have been made and no new purchases are projected. The landfill payments line has been zeroed out as the company who performs the Towns trash and recycle pick up now picks up the limbs and leaves as part of their contract. In the past Public Works crew did this and took the loads to the land fill. The Town is in the middle of the three year contract for trash services. No increases in fees are needed to balance the account.

FUTURE AGENDA ITEMS – Listing of items to be placed on a future council agenda.
None

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 9:50 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk

**Minutes of a Special Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, June 17, 2008**

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Town Council:

Mayor Doug Von Gausig
Vice Mayor Jerry Wiley

Councilmember Patricia Williams
Councilmember Curtiss Bohall
Councilmember Richard Dehnert

Town Staff:

Town Manager Gayle Mabery
Public Works Director Steve Burroughs
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Assistant Town Manager Janet Perry
Community Development Director Sherry Bailey
Police Chief Pat Haynie
Utility Director Wayne Debrosky

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 3:00 PM and noted that all Council members were present.

PUBLIC COMMENT – Mayor Von Gausig informed the audience that the council could not reply to comments on items that were not on the posted agenda per state law. The Council is interested in the public’s comments, but may not be able to respond other than to offer clarification or direct staff.

No public comment

BUDGET WORKSESSION – A Worksession to discuss the 2008-2009 Fiscal Year Budget.

Finance Director Woodruff presented the Cemetery, Wastewater, and Water 2008/2009 proposed budgets.

Cemetery Budget – Approximately 73% of the lots are sold. A change in policy for the price of lots and possible increase along with separating out the additional costs of opening and closing grave payments at time of use instead of purchase will bring revenues up to cover and balance the budget. An internment wall with approximately 240 slots could be constructed with the endowment funds.

Wastewater Budget - Council thought that \$1,500 for equipment purchases was very low and that budgeting needed to be more realistic for that item. Chemical Testing budget seems low, but this year expenditure overages were due to the testing of the monitor well. The Utility Department hopes to be able to purchase equipment and get credentials to be able to perform testing instead of using outside sources. This would save about ½ the costs. Utility Director Debrosky would like to study a sewer rate increase based upon flat fee vs user fee. The line replacement projected expenditure is based upon line replacement impact fees and line replacement cash carryover revenues. Vice Mayor Wiley would like to see a proposal of how line replacement will be reimbursed. A sewer rate increase will bring revenues up to cover the deficit and balance the budget.

Water Budget – Were not able to set aside funds as expected. 2007/2008 expenses were high due to the number of water line breaks. Recommendation is to keep the water rates the same, get operations under control and then review the fund. There is a lot of room for added efficiencies. Water rate increases need to be looked at for future projects and the long term.

The Mayor thanked Finance Director Woodruff for cleaning up the budget process. Town Manager Mabery stated that Utility Director Debrosky walked a good balance with Cottonwood to maintain good relationships.

The tentative budget will be brought back to the Council in July.

IGA LEASE AGREEMENT WITH YAVAPAI COUNTY FOR COURT FACILITIES - Discussion and consideration of an Intergovernmental Agreement between the Town and Yavapai County for use of the Clarkdale Magistrate Courtroom.

Town Clerk Bainbridge explained that Yavapai County Superior Court has run out of room to provide the necessary services for Family Law proceedings. The County is in the process of constructing new court facilities, but in the interim, has been looking for space until the project is completed. Yavapai County contacted Clarkdale regarding leasing the Clarkdale Magistrate Court for one day a week to hold their proceedings. The monthly lease payment of \$400.00 has been calculated to cover the additional utility charges and janitorial services. Yavapai County Board of Supervisor approved the Agreement on June 16, 2008.

Vice Mayor Wiley moved to approve the Intergovernmental Agreement between the Town of Clarkdale and Yavapai County as presented. Councilmember Williams seconded the motion. Passed unanimously.

LETTER OF COMMENT TO ARIZONA DEPARTMENT OF WATER RESOURCES – Discussion and consideration of a Letter of Comment to Arizona Department of Water Resources on their rulemaking regarding inter-basin transportation of groundwater in the Big Chino sub-basin of the Verde River Basin.

Mayor Von Gausig explained that Clarkdale is an important stakeholder in the Groundwater Transportation rulemaking procedure that is currently being undertaken in the Big Chino sub-basin of the Verde River Basin. The concern is that there may be rules promulgated in this process that could negatively affect the flow and ecology of the Verde River, and which would therefore adversely affect the Town of Clarkdale.

The Mayor continued to explain that the belief was that the clear intent of the specific exemption granted to the Prescott AMA in ARS 45-555, which allows transportation of an allotment based upon the retirement of Historically Irrigated Acres (HIA), was written in such a way as to minimize impact on the sub-basin and on the Verde River. HIA lands are distributed throughout the Big Chino in large and small parcels, and entities inside the PrAMA are allowed to retire these lands from agriculture and transport the water that would have been pumped from them to the AMA. The theory behind allowing transportation of

HIA water was that impact to the Big Chino aquifer and to the Verde River would be minimized by allowing no more withdrawal than was historically used.

The Mayor brought before the Council a letter for Clarkdale to send to the Arizona Department of Water Resources and continued to state that it was important to consider that the historical agricultural use was distributed throughout the Big Chino, and that the pattern of withdrawals on those HIA lands was critically important to predicting the impact that future withdrawals would have. In essence, withdrawing water from a diffuse array of points in the Big Chino would have a different impact on the aquifer and the river that drains it than withdrawals from a single point might have.

The Mayor's letter from Clarkdale urged DWR to grant allotments and withdrawals from HIA lands only from the same parcels that were withdrawn from production, and that the total HIA allotment not be aggregated and allowed to be pumped from a single location. In the case of proposals which could serve the intent of ARS 45-555 and still allow pumping from a single site without potential harm to base flows, Clarkdale may have no objection. These would be situations where the single well site is actually further from the Verde River headwaters than the HIA lands upon which the allotment is granted and where the single extraction point would be less harmful to the base flow of the river.

Prescott and Prescott Valley may not be happy that Clarkdale is sending this letter, but the Mayor stated that this needs to happen to have a flowing Verde River.

Councilmember Dehnert moved to approve sending a Letter of Comment to the Arizona Department of Water Resources on their rulemaking regarding inter-basin transportation of groundwater in the Big Chino sub-basin of the Verde River Basin. Councilmember Bohall seconded the motion. Passed unanimously.

FUTURE AGENDA ITEMS – Listing of items to be placed on a future council agenda. No new listings.

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 5:15 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk

**Minutes of a Special Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, June 24, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, June 24, 2008, at 3:00 PM. at Yavapai College, Verde Valley Campus, 601 Black Hills Drive, Room M137, Clarkdale, Arizona.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Jerry Wiley

Councilmember Patricia Williams
Councilmember Curtiss Bohall
Councilmember Richard Dehnert

Town Staff:

Town Manager Gayle Mabery
Public Works Director Steve Burroughs
Finance Director Carlton Woodruff
Town Clerk Kathy Bainbridge
Deputy Town Clerk Walt Good

Assistant Town Manager Janet Perry
Community Development Director Sherry Bailey
Police Chief Pat Haynie
Town Attorney Robert Pecharich

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 3:00 PM and noted that all Council members were present.

PUBLIC COMMENT – Mayor Von Gausig informed the audience that the council could not reply to comments on items that were not on the posted agenda per state law. The Council is interested in the public’s comments, but may not be able to respond other than to offer clarification or direct staff.

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) **Verde Valley Humane Society Agreement** – Approval of a 2008-2009 Verde Valley Humane Society Agreement with the Town of Clarkdale regarding animal shelter services.
- B) **Intergovernmental Agreement for Police Dispatch Services** – Approval of the 2008-2009 Intergovernmental Agreement between the City of Cottonwood and the Town of Clarkdale for Police Dispatch Services.
- C) **Facilities Use Agreement**– Approval of a 2008-2009 Reimbursement Agreement for the use of Town Facilities by the Yavapai Community College District.

Vice Mayor Wiley pulled Consent Item A.

Councilmember Williams moved to accept Consent Items B and C, seconded by Vice Mayor Wiley. Approved unanimously.

Vice Mayor Wiley informed Council that the Verde Valley Humane Society (VVHS) agreement has changed. VVHS had contacted the Town on June 23, 2008, and VVHS would be reducing their amount by 10% from last fiscal year due to a reduced number of impoundments. Last fiscal year amount was \$9,312.00 and FY2008-2009 would be \$8,380.80 a saving of \$931.20.

Vice Mayor Wiley moved to accept the VVHS Agreement with revised contract amount of \$8,380.80, seconded by Councilmember Williams. Approved unanimously.

NEW BUSINESS

EMPLOYMENT CONTRACT FOR HARRY CIPRIANO AS TOWN MAGISTRATE OF CLARKDALE– Discussion and consideration of the Employment Contract between the Town of Clarkdale and Harry Cipriano as Clarkdale Town Magistrate.

Mayor Von Gausig reported that he had spoken with Magistrate Cipriano. The only change in the Renewed Agreement with Town Magistrate Cipriano is for an increase from \$17,500.00 to \$18,500.00.

Vice Mayor Wiley moved to approve the Renewed Agreement with Town Magistrate Cipriano, seconded by Councilmember Williams.

Town Manager Mabery informed Council that the Renewed Agreement, Item 2, had the incorrect year of 2009 and should be revised to 2010.

Councilmember Williams withdrew her second, Vice Mayor Wiley withdrew his motion.

Vice Mayor Wiley moved to approve the Renewed Agreement with Town Magistrate Cipriano for two years ending June 30, 2010, seconded by Councilmember Williams. Approved unanimously.

WORKSESSION ON THE ARCHIVE POLICY MANUAL – Discussion and possible direction to the Heritage Conservancy Board on policy issues associated with the Town of Clarkdale Archive Policy Manual, which governs the preservation and accessibility of the Town's archives and artifacts as drafted by the Heritage Conservancy Board.

Kathy Bainbridge, Town Clerk, presented the Archive Policy Manual for discussion and discussed the reason for its establishment. The Heritage Conservancy Board has been working on drafting this Policy which will govern the preservation of the archives and artifacts regarding the history, prehistory, culture, or natural history of the Verde Valley of Arizona. Records of the Town of Clarkdale since the 1957 incorporation will not be held in the Archive.

An Archive is the building or room that houses archives. Archives are a collection of documents, photographs, maps, ledgers, journals, books, or paintings kept for their historical interest and permanent preservation. Artifacts are objects that document the history, prehistory, culture, or natural history. Collections are the archives and artifacts held in trust and preserved by the Heritage Conservancy Board.

Vice Mayor Wiley said that Section X-G-8 & 9 were confusing and wanted to ensure that the Town and Town Archives were protected. Town Clerk Bainbridge said that forms have been created that will protect the Town and Archives when on loan. Discussion on a possible annual inventory audit on Town Achieves was held.

Mayor Von Gausig discussed the prudence of having the Heritage Conservancy Board (HCB) listed in places where it should read the Town of Clarkdale. The HCB is only an arm of the Town and appointed by the Town Council.

Councilmember Williams inquired about Page 3 Section 4 - Collection Manager and was concerned with if the person had to be a member of the HCB and if they would have determining powers. The Policy says that the Collection Manager is a volunteer reporting to the Town Clerk, this could mean that the Collection Manager could be a member of HCB but did not have to and that any issues could be decided by HCB, or brought to the Town Clerk's attention. Mayor Von Gausig would like the word "volunteer" removed from the Collection Manager definition.

Handling of the archives training will include the Town Clerk, HCB, and the museum board. The training will instruct everyone on how to handle various archival pieces.

Mayor Von Gausig mentioned in Section II-A-2 on insurance that the types of insurance should be defined as to the types required. The Town should ask for Bailee Coverage on the archive itself and Liability Insurance in the Amount of \$1,000,000.00 to protect the Town in case the artifact injured or damaged something.

Town Clerk Bainbridge said she would make the changes and return the policy to Council for approval.

AUDITING CONTRACT – Discussion and consideration of possibly awarding a contract with Colby & Powell, PLC for Professional Auditing Services for fiscal year ending June 30, 2008 with a possible extension in subsequent years through fiscal year ending June 30, 2012.

Carlton Woodruff, Finance Director, explained the process followed to this point and that the RFP deadline was June 5, 2008. All the bidders had qualified and returned their bids on time, complete, and in the correct form. Bidders were ranked by dollar amount and the two lowest bidder's references were checked.

Discussion was held regarding the low bidder, Colby & Powell, PLC. Finance Director Woodruff reported to Council that every Town and City he had contacted was pleased with the service they received. The Colby & Powell, PLC bid includes a section for a Single

Audit and the Town will not require one this fiscal year which will reduce the contract amount by \$2,800.00. Colby & Powell, PLC is a smaller company and deal mainly with smaller cities and towns. The on-site audit work usually takes a week and the firm includes travel and per diem in their bid.

Vice Mayor Wiley moved to award Colby & Powell, PLC the Professional Auditing Services Contract for fiscal year ending June 30, 2008, seconded by Councilmember Williams.

Mayor Von Gausig said that the contract should also include “with possible extensions in subsequent years through fiscal year ending June 30, 2012” in the motion.

Councilmember Williams withdrew her second, Vice Mayor Wiley amended his motion to award Colby & Powell the Professional Services contract for auditing for fiscal year ending June 30, 2008, with possible extensions in subsequent years through fiscal year ending June 30, 2012. Seconded by Councilmember Williams. Approved unanimously.

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

No new listings.

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 3:42 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk