

**Minutes of a Regular Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, October 14 , 2008**

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, October 14, 2008, at 6:00 PM at Clark Memorial Clubhouse, 19 North Ninth Street, Men’s Lounge, 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
Utility Director Wayne Debrosky

CALL TO ORDER 6:00 PM

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.

Robyn Prud’homme Bauer – Clarkdale Chamber wishes to thank the Town and Town Staff for their assistance making the Chamber’s Clarkdale Family Fun Fest on October 4, 2008 a success. When it started to rain the Chamber received great help from attendees, cleaning up the park.

INFORMATIONAL REPORTS

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

1. Attended the Arizona League of Cities and Towns, Executive Committee Meeting in Phoenix. Impressed with the quality of the people at and associated with the League. Everyone on the Executive Committee has an equal say. Discussed were the policies of the League, structure of the League and the primary goal of the League which is as a legislative assistant or our lobbyist, during the legislative session. Updates are held each Friday reviewing items that are before the legislature.
2. The Technical Work Group on the Bureau of Reclamation Water Study met and they are currently working on population and water demand estimates for 2050 in the County.

3. Mayors Doug Von Gausig of Clarkdale, Karen Fann of Chino Valley, and Jack Wilson of Prescott met with Senator Jon Kyl in his Phoenix office, they spoke with the Senator about various water topics concerning Northern Arizona and the Verde River Basin. The Mayors informed Kyl of the fact that communities on both sides of Mingus Mountain are serious about working together to solve their mutual long-term water supply problems. The Senator was very receptive and encouraged to hear that there was a possibility the Verde River Basin Partnership may merge with the Yavapai County Water Advisory Committee in some way. They also discussed future water importation and augmentation projects for Northern Arizona, including the possibility of a pipeline from the Colorado River to serve communities from Tuba City to the Verde Valley and the tri-cities area. Senator Kyl agreed to provide a briefing paper and to sponsor a public meeting in which he and his staff would discuss both the benefits and challenges of long-range water augmentation in Northern Arizona.
4. Attended the Energy Saving Award presentation at Salt River Material Group.
5. Met with Yavapai College Verde Valley Campus Dean Schumacher about the campus plan to be energy independent and going for a grant to assist them in accomplishing that endeavor.
6. Attended a City of Cottonwood Public Hearing on the annexation proposal.

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

1. Town Manager Mabery notified Council that the November 11, Regular Council meeting would fall on Veteran's Day and when the Regular Meeting falls on a legal holiday it is moved by Council. The Special Meeting in November is also scheduled for the Thanksgiving week and staff will bring a recommendation to Council at the October 28 meeting.
2. Everyone seemed to have a good time at the Chamber's Family Fun Fest until the rain started.
3. Project Wet will be on October 23, at Dead Horse State Park. The Town donated \$1,000.00 to this event that is to provide water conservation education to 4th graders throughout the Verde Valley.

COCOPAI – A report regarding the Coconino Yavapai Resource Conservation District – 9/15/08 written report

CAT – A report regarding the Cottonwood Area Transit – 10/2/08 written report

NACOG - A report regarding the Northern Arizona Council of Governments

NAMWUA - A report regarding the Northern Arizona Municipal Water Users Association.

PFSG – A report regarding the Prescott Forest Stewardship Group

VRBP – A report regarding the Verde River Basin Partnership

VVREO – A report regarding the Verde Valley Regional Economic Organization

VVLPI – A report regarding the Verde Valley Land Preservation Institute 7/14/08, 8/11/08, 9/08/08 written reports

WAC - A report regarding the Yavapai County Water Advisory Committee

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 9/9/08 and the Special Meeting held 9/23/08.
- B) **Claims** - List of specific expenditures made by the Town during the previous month. September 2008 payroll, check and credit card reports. (Note new Encode Form)
- 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 9/24/08
 - Design Review Board minutes of the meeting held 9/10/08
 - Heritage Conservancy Board minutes of the meeting 9/17/08
 - Library Advisory Board minutes of the meeting held 9/4/08
 - Planning Commission minutes of the meeting held 9/4/08, 9/23/08, & 9/25/08
 - Parks and Recreation Board minutes of the meeting held 9/10/08
- D) **Reports** - Approval of written Reports from Town Departments and Other Agencies
 - Building Permit Report – September 2008
 - Capital Improvements Report - September 2008
 - Magistrate Court Report – August 2008
 - Police Department Report – September 2008
 - Water and Wastewater Report – September 2008
 - Clarkdale Fire District Report and Mutual Aid Responses Report – September 2008
 - Cottonwood Area Transit (CAT) Operations Report – August 2008

Agenda item D was pulled by Councilmember Dehnert for discussion.

Discussion on Police Department Report regarding the down turn in traffic tickets and warnings issued year to date versus last year to date. Police Chief Haynie reported that during economic down turns the public tends to pay more attention and obey the traffic laws better because they do not have the money to pay the fines. Also with the construction on Hwy 89A we have reduced speed.

Mayor Von Gausig asked Utility Director Debrosky if the decline in numbers of water customers served was because of Mountain Gate. Utility Director Debrosky replied that it was partially Mountain Gate and also improved records keeping with the new system.

Councilmember Dehnert moved to accept Consent Item D as presented. Vice Mayor Wiley seconded the motion. Motion approved unanimously.

- E) **Resolution Adopting a Fair Housing Policy** – Approval of Resolution # _____, adopting a Fair Housing Policy for the Town of Clarkdale.

Resolution #1281

- F) **Resolution Adopting a Residential Antidisplacement and Relocation Assistance Plan for FY 2008-FY 2013** – Approval of Resolution # _____, adopting a Residential Antidisplacement and Relocation Assistance Plan as required under Section 104(d) of the Housing and Community Development Act of 1974 as amended.

Resolution #1282

- G) **GangNet Memorandum of Understanding** – Approval of a GangNet Memorandum of Understanding with the Arizona Department of Public Safety.
- H) **Yavapai County Flood Control District Intergovernmental Agreement** – Approval of an intergovernmental agreement with Yavapai County Flood Control District for \$110,000.00, to be used by the Town for local drainage improvements.

Vice Mayor Wiley moved to accept Consent Agenda Items A, B, C, E, F, G and H as presented. Seconded by Councilmember Williams. Motion approved unanimously.

NEW BUSINESS

RESOLUTION ACCEPTING SETTLEMENT FROM ARCH BOND – Discussion and consideration of acceptance of a bond release for receipt of payment from Arch Bond Company for guarantee on the Mountain Gate Subdivision.

Mayor Von Gausig moved to table this item until the October 28, 2008 Council Meeting with another item on same subject. Seconded by Councilmember Williams. Motion to table item approved unanimously.

RESOLUTION DECLARING THE “ANIMAL CODE ORDINANCE AMENDMENT TO CHAPTER 6, SECTIONS 6-1 THROUGH 6-8; A PUBLIC RECORD – Consideration of Resolution # _____ declaring as a public record those certain documents filed with the Town Clerk and entitled “Animal Code Ordinance Amendment to Chapter 6-1 Through 6-8”; Town Code.

Discussion was held and changes were requested by Council in Section 6-1-2 to remove the word *adjacent* and in Section 6-1-3(A) to remove the phrase *for current year*.

Mayor Von Gausig moved to accept Resolution #1283, a resolution declaring the “Animal Code Ordinance Amendment to Chapter 6, Section 6-1 through 6-8” a public record as amended by removing the word “adjacent” in Section 6-1-2 and the phrase “for current year”

in Section 6-1-3(A). Seconded by Vice Mayor Wiley and Councilmember Bohall. Motion passed unanimously.

ANIMAL CODE ORDINANCE AMENDMENT TO CHAPTER 6, SECTIONS 6-1 THROUGH 6-8 – Discussion and consideration of adopting by reference a document entitled “Animal Code Ordinance Amendment to Chapter 6, Sections 6-1 Through 6-8”; on file as a public record with the Town Clerk as an Ordinance amending the Animal Code Chapter 6, Sections 6-1 through 6-8; of the Town Code of the Town of Clarkdale; Providing for Severability; and Repealing Conflicting Ordinances.

Vice Mayor Wiley moved to approve the adoption of Ordinance #315, an ordinance adopting by reference a public Record titled “Animal Code Ordinance Amendment to Chapter 6, Section 6-1 through 6-8”. Seconded by Councilmember Williams. Motion approved unanimously.

ORDINANCE CHANGING ARTICLE 7-14 (A) HOURS OF CONSTRUCTION – Discussion and possible approval of an ordinance changing Article 7-14 (A), to amend the hours of construction which are currently sunrise to 9:00 PM.

Ordinance #316

Community Development Director Bailey informed Council that discussions on changing the hours of operation to 6:00 AM had come about because in June the sun could rise shortly after 5:00 AM and that construction noise was disruptive to residents.

Councilmember Williams moved to approve Ordinance #316, an ordinance changing Article 7-14(A) Hours of Construction from “sunrise to 9:00 PM” to “6:00 AM to 9:00 PM”. Seconded by Vice Mayor Wiley. Approved unanimously.

CONSIDERATION OF THE ANNEXATION OF FOREST LANDS PROPOSED BY THE CITY OF COTTONWOOD

Discussion was held on the City of Cottonwood’s proposed annexation of approximately 8.5 square miles of Coconino Forest land. Clarkdale Council members all agreed with Cottonwood Council members and would like to preserve this area in its current state. Mayor Von Gausig informed Council that he and Town Manager Mabery have a scheduled meeting with City of Cottonwood Mayor Joens and City Manager Bartosh for October 20, this meeting was schedule a couple of weeks ago and will not include the other groups that are interested in the annexation. This was a discussion only and no action was taken.

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

Councilmember Bohall would like a presentation on the commercial solar possibilities.

Councilmember Dehnert would like more information on the Smart Growth Scorecard, Town Manager Mabery stated that the Planning Commission is working on this and it would be appropriate for the Council to attend their meeting. Ms. Mabery will advise council of the date of that Planning Commission meeting.

ADJOURNMENT 7:13 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, October 23, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, October 23, 2008, at 6:00 PM at Clark Memorial Clubhouse, 19 North Ninth Street, Men's Lounge, Clarkdale, Arizona.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Jerry Wiley

Councilmember Patricia Williams
Councilmember Curtiss Bohall - Absent
Councilmember Richard Dehnert

Town Staff:

Town Manager Gayle Mabery
Town Clerk Kathy Bainbridge

Assistant Town Manager Janet Perry
Community Development Director Sherry Bailey

CALL TO ORDER – Mayor Von Gausig called the meeting to order at 6:05 PM.

JOINT WORKSESSION WITH PLANNING COMMISSION – Discussion and consideration concerning the Arizona Smart Growth Scorecard Check List.

The Arizona Smart Growth Scorecard Check List, Draft 7, October 17, 2008 was viewed by the Council, Planning Commissioners, and others in attendance for discussion. Two checklists were also provided as a reference reflecting actual total numbers for each question. The Draft had the highlighted consensus for all questions. The following questions that needed further discussion to come to a general consensus are outlined below with their results.

2. How do you engage your local community in planning activities? 2 pts: We have an adopted public participation plan for amendments to our general/comprehensive plan; and we have a neighborhood participation plan for re-zonings.

3. Are you using your general/comprehensive plan to determine your funding and planning priorities? 2 pts: The general/comprehensive plan identifies implementation actions for adopting regulations or funding of public improvements.

14. Does your community have programs to acquire and maintain open space? 1 pt: We are developing programs and policies for the acquisition and maintenance of open space.

18. Does your community's general/comprehensive plan have a natural open space element that strives for a regional integrated system that includes protected land critical for preserving wildlife habitat connectivity? 2 pts: We emphasize the importance of our wildlife habitat and corridors in our general/comprehensive plan but we have not taken any steps to restore or protect them.

20. Does your community protect open space, manage growth and infrastructure and encourage economic development through programs like cluster development, transfer of development rights (TDR), conservation easements, and partnering with land trusts? 3 pts: We utilize more than one of these or similar programs.

26. Which option best describes the mix of housing types approved in your community?

3 pts: We approve a wide mix of housing types including single-family homes, multi-family housing, and senior housing that reflects the composition of our community and addresses a broad spectrum of needs.

28. Does your community have pedestrian mobility options that include an integrated system for bicycling and walking linking residential, commercial, and recreation areas?

1pt: We are in the process of creating pedestrian and bicycle connections.

32. Does your zoning allow for mixed uses, especially in designated growth areas or corridors?

3 pts: Our zoning ordinance allows mixed land uses in a number of locations throughout the community and in designated growth areas.

34. Does your community encourage new development to locate where infrastructure and services already exist?

1 pt: We have an adopted Capital Improvement Program (CIP) that is linked to our general/comprehensive plan.

39. How does your community integrate wildlife movement corridors (connecting larger blocks of wildlife habitat) to ensure motorist safety and provide safe wildlife passage?

2 pts: We have identified important wildlife crossing sites, but lack specific general/comprehensive plan policies.

49. Does your community regularly track (or work with an entity that tracks) local and regional economic information and trends?

2 pts: We have regular reports on local and regional economic information, but the information is limited.

The Community Development Director will provide additional information to the Planning Commission regarding question #24 for re-evaluation. There will be a Public Hearing at the next meeting of the Planning Commission on November 20th. This meeting will cover the updated version of the Arizona Smart Growth Scorecard Check List from the information gathered at this evening's meeting. After the Public Hearing Meeting, the information will come to the Town Council for their review.

ADJOURNMENT at 4:58 PM

APPROVED:

ATTESTED:

Doug Von Gausig, Mayor

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, October 28, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, October 28, 2008, at 3:00 PM at Clark Memorial Clubhouse, 19 North Ninth Street, Men’s Lounge, Clarkdale, Arizona.

Town Council:

Mayor Doug Von Gausig - absent
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
P&R Supervisor Dawn Norman

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

CALL TO ORDER – 3:02 PM by Vice Mayor Wiley

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.

Robyn Prud’homme Bauer – speaking on behalf of the Clarkdale Chamber of Commerce thanked the Town staff for their assistance on the successful Economic Tour by NACOG. Also on behalf of the Verde Valley Chapter of the Yavapai College Foundation, Ms. Prud’homme invited all Council and staff to attend the Yavapai College Book Scholarship Fund “Celebrate Education in Sedona!” that will celebrate the College’s 40 years of serving the Yavapai County and the special Guest is Governor Janet Napolitano. The event will be Tuesday, November 18 from 4:30 to 6:30 PM. The Foundation is also supporting the “Thirty Little Secrets” an art exhibit at the Verde Valley Yavapai College Verde Art Center on Friday, November 14 from 5:30 to 7:30 PM.

NEW BUSINESS

BUDGET UPDATE – A worksession to discuss the first quarter of the 2008-2009 Budget year.

Budget Update moved to end of the Agenda.

SETTLEMENT AGREEMENT BETWEEN THE TOWN OF CLARKDALE AND ARCH INSURANCE COMPANY – Discussion and consideration of a Settlement Agreement with Arch Insurance Company to accept payment of \$150,572.04 as payment for the outstanding balance due by ARCH Insurance Company under that subdivision bond issued on behalf of Empire Residential Construction, LLP, to the Town of Clarkdale as payment in full.

Deputy Town Clerk Good advised Council that there had been some minor changes made to the proposed settlement agreement given to Council in their packets. Item 16 Notices - the ARCH contact address for Ronald W. Hopkins, Esq. had been changed to 1801 Avenue of the Stars Suite 230, Los Angeles, CA 90067, and in Item 18 Authorized Representative – changed the Attorneys for, to Attorney for Town of Clarkdale and included signatures from ARCH Insurance Company.

Community Development Director Bailey informed Council the process that had been followed to come to the settlement with ARCH. Town Attorney Pecharich has worked with staff and ARCH on the settlement and has submitted this document to Council for acceptance. Town Manager Mabery stated that the settlement will not cover the cost of everything on this phase of construction list but will enable the Town to complete the items that Town has identified as safety hazards. The amount of the settlement is equal to the remaining amount of the bond. Covered items will cost more than the amount the Town will receive due to an increase in cost of materials and unacceptable quality of workmanship and items not up to code. The balance of the items on the list will have to be paid for by the party that purchases the project and continues the construction.

Councilmember Williams motioned that the Council accept the Settlement Agreement with ARCH Insurance Company for the amount of \$150,572.04 as payment for the outstanding balance due under the subdivision bond issued on behalf of Empire Residential Construction, LLP, to the Town of Clarkdale as payment in full. Seconded by Councilmember Dehnert, Motion approved unanimously.

CONSIDERATION OF RESOLUTION NUMBER _____, AUTHORIZING THE MAYOR AND COUNCIL TO APPROVE THE RECEIPT OF PAYMENT FROM ARCH INSURANCE COMPANY – Discussion and consideration of Resolution # _____, a Resolution authorizing the Mayor and Council to receive payment from Arch Insurance Company in the amount of \$150,572.04 and authorization to release and exonerate the ARCH insurance bond.

Councilmember Williams motioned to approve Resolution # 1284, a resolution authorizing the Mayor and Council to receive payment from ARCH Insurance Company in the amount of \$150,572.04 and authorize the release of the ARCH Insurance Bond. Councilmember Bohall seconded the motion. Motion was approved unanimously.

RESOLUTION RESCHEDULING THE NOVEMBER 11, 2008 COUNCIL MEETING DATE – Discussion and consideration of Resolution # _____, rescheduling the November

11th Regular Council Meeting date which falls on Veterans' Day.

Council held a discussion on the possible dates to move the November Regular Council Meeting since it falls on a legal holiday. It was also decided to cancel the Special Meeting in November due to a conflict with Thanksgiving week.

Councilmember Bohall moved that Council approve Resolution #1285 moving the Town of Clarkdale Regular Meeting of the Common Council to Monday, November 17, 2008, at 3:00 PM. Motion seconded by Councilmember Williams. Motion approved unanimously.

TOWN MANAGER 2008 EVALUATION REVIEW PROCESS – Discussion of the review of the process for the 2008 Town Manager Evaluation.

Town Manager Mabery explained the process that Council had utilized for the last Town Manager Evaluation.

Councilmember Dehnert motioned for the Town Manager to move forward with the process last utilized by the Council for the Town Manager Evaluation. Motion seconded by Councilmember Bohall. Motion approved unanimously.

BUDGET UPDATE – A worksession to discuss the first quarter of the 2008-2009 Budget year.

Town Manager Mabery began the update to Council by reviewing the PowerPoint slides on the status of the budget. This review is for the first quarter of the fiscal year, the period through September 30, 2008. Last year staff updated Council at midyear and discussed possible changes to avoid a budget shortfall. This fiscal year staff felt it appropriate to consult with Council on the budget on a quarterly basis because of the volatile economy.

Street Fund – Revenues are 21.64% of projections and staff believes that this account will continue to be below projection at an increasing percentage level through the rest of the fiscal year. State and local funds for streets are below projections. HURF funds are lagging and the combination of the two revenue account shortfalls, will not allow the Town to make a transfer to the General Fund and the spring chip seal projects may have to be deferred. The Town is on a seven year rotation of areas for chip seal. The Town should be able to continue to perform pothole maintenance. The good news is that expenditure is currently at 17.81% of projection.

Wastewater Fund – Revenues are at 19.98% of projection with operation and maintenance (O&M) expenditures at 24.54%. The Town knew that the sewer fee would have to be revised and staff intends to bring those recommendations to Council about January and if passed it would be about 60-90 days before the Town would start receiving that increase.

Sanitation Fund – This is the trash and recyclable fund. Revenues are at 23.65% with expenditure at 16.67% of projection. Staff believes this account will continue in this fund is in OK shape.

Water Fund – The revenue is at 31.05% and this is because the water use during the first quarter, when it is hotter, is higher. O&M is below at 19.9% and total expenditures at 6.73%. This is good now but cannot guarantee that that the Town will not have a line fail requiring a major purchase. The Town is covering the debt service on the loan.

Cemetery Fund – Cemetery fund revenues are at 13.19% and expenditures at 18.25%. The Town has discussed a change in fees for the cemetery and that will probably be brought to the Council in January. It would go into effect immediately after passage. There is an endowment expected that may be coming to the Town before the end of the year. This would assist the Town in two areas of the cemetery maintenance. Also the Town may be able to construct a columbarium for funeral ashes.

General Fund – This makes up the Town public services with revenues at 17.52% and expenditures at 16.67%. Property taxes are received in November and December along with Library District funding coming in November and May. Finance Director Woodruff believes that the town will have to spend money for supplies and required training will increase the expenditures closer to projected levels as every department worked to trim their budget for the year.

Good News - Finance Director Woodruff stated that building permits are at 50.68% of projection this is because of the construction at Clarkdale Metals while housing is stagnant at the present and expected to stay that way.

Not so Good News – Local sales tax at a 6% current shortfall with no improvement expected. Motor Vehicle License down 2.98% and expected to decline more as resident retain current vehicle rather than buying new. State sales tax at a 1.01 shortfall and not expected to recover.

Finance Director Woodruff led a discussion on the General Fund Sales Tax and the impact that construction has on the Town with a base rate of about \$40,000.00 per month and anything above that would probably be construction tax revenue.

Councilmember Dehnert asked if any departments had major expenditures that are coming. Finance Director Woodruff said the Pool expenditures are heavy in May and June.

Councilmember Williams asked what the Town Wide was comprised of; Finance Director Woodruff said that was the Town's professional services.

Finance Director Woodruff discussed the items he is watching to know where the shortfalls could appear and plan for corrective action. Some of the actions that are

possible are:

- Adjust street transfer from General Fund – some wiggle room
- Cancel Temporary Building - \$25-30,000.00 possible saving, problem is assimilating those offices into existing Town building space.
- Possible closures of services related budget items – Possible \$20,000.00 savings.
- General Fund savings with a reduction in operational hours – If closed one Friday a pay period (10%, the Town could realize a savings of around \$150,000.00 if program began in January).

Town Manager Mabery stated that a reduction in force was the main item the Council wanted to avoid. When Department Heads had discussed this possibility with staff, staff embraced it believing that it would save someone's job. Town Manager Mabery expressed her gratitude for the Town staff on what they have done and what innovated ways of changing how the Town performs work thus creating savings for the Town. Town Manager Mabery is proud of the Town staff. Other municipalities are making reductions in force and reducing services, Queen Creek is reducing hours, Yuma has shut down every Friday and the county is reducing staff. Town Manager Mabery believes the Town is strong because we have a history of working with budget constraints, the attitude of Council and staff, and our creative staff in finding ways to finance the necessities.

Local Government Investment Pools (LGIP) - Finance Director Woodruff explained the needs for government investment as; safety, liquidity and yield. The Lehman Bankruptcy has affected the Town in that \$50,000.00 of the Town's \$2,500,000.00 investments has been frozen until everything is figured out. Mr. Woodruff explained the difference between Pool 5 and Pool 7 and that the Town has been in Pool 5 because of the higher yield. With the volatility of the market the Town may want to change from Pool 5 to Pool 7 or opt out of LGIP altogether into another fund that is safe and has a higher yield.

Vice Mayor Wiley asked if the Town moved from Pool 5 to the lower yield but safer Pool 7 would the Town make enough to cover the interest on the \$700,000 WIFA loan. Finance Director Woodruff informed Council that the Town had not required the WIFA funds and had not yet requested the loan.

Councilmember Dehnert asked how important liquidity was and if the Town could invest in \$250,000.00 certificate of deposit on a revolving basis. Finance Director Woodruff replied that the Town would have to invest in ten different financial institutions and the management of that would be difficult. Liquidity is important in case we have an emergency.

The Town would have to go through a bid process or go with someone already on the state list to opt out our current LGIP investment funds.

Finance Director Woodruff said that he would be bringing items to Council for consideration in the near future. Councilmember Dehnert said that this is very important and a Special Session would be in order if time is essential.

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

ADJOURNMENT at 4:39 PM

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk