

**Minutes of a Regular Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, May 12, 2009.**

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 12, 2009, 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
Police Chief Pat Haynie
Deputy Town Clerk Walt Good

Town Clerk/Finance Director Kathy Bainbridge
Community Development Director Sherry Bailey
Utility Director Wayne Debrosky

CALL TO ORDER at 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.

No public comment.

NEW BUSINESS

COTTONWOOD AREA TRANSIT ROUTES SERVING THE TOWN OF CLARKDALE –
Presentation to Council for consideration and recommendation of the revised Cottonwood Area Transit routes serving the Town of Clarkdale.

Public Works Director Steve Burroughs submitted three options to Council for the new proposed CAT service routes in the Clarkdale community. The Clarkdale Transit Committee recommended Option 3 to the Council for recommendation to the City of Cottonwood. This option will come down Broadway to Main to the Clarkdale Jerome School to Hwy 89A to the Lisa/Lincoln roundabout and return to Cottonwood via Broadway.

Town Manager Mabery stated that the Clarkdale Transit Committee was comprised of Councilmember Dehnert, Councilmember Bohall, Town Manager Mabery, and Public Works Director Burroughs; they met with City of Cottonwood Mayor Joens and City Manager Bartosh, CAT and NAIPTA staff to formulate options that would provide Clarkdale with the best continued transit access. Clarkdale Transit Committee decided that option three would provide Clarkdale residents with the greatest route coverage. Areas that are more than a quarter of a mile from a designated stop will have access to the dial-a-ride program.

Public Works Director Steve Burroughs mentioned that he had had preliminary discussions with ADOT and the State is willing to work with the Town on the transit routes and on collection points.

Town Manager Mabery informed Council that the first intended stop on Hwy 89A will be at Lamplighter with an additional three stops to be identified.

Councilmember Williams asked about the service to Pine Shadows. Town Manager Mabery replied that Pine Shadows is in the City of Cottonwood and that Cottonwood wants to service Pine Shadows via dial-a-ride.

Mayor Von Gausig asked if CAT and NAIPTA had seen and agreed with this option. Town Manager Mabery replied that they had seen the options and been involved in the discussions.

Mayor Von Gausig thanked everyone for their work on this project.

Vice Mayor Wiley moved to recommend line route Option 3 as Clarkdale's preferred alternative for the Cottonwood Area Transit route serving the Town of Clarkdale. Motion was seconded by Councilmember Williams. Motion approved unanimously.

INFORMATIONAL REPORTS

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

1. Mayor Von Gausig attended budget workshop.
2. The Mayor attended the Water Forum at Yavapai College Verde Campus that was put on by the League of Women Voters. Mayor thanked the League of Women Voters for the forum.
3. Mayor Von Gausig judged the custom car show.
4. Mayor Von Gausig had lunch with Deni Phinney, owner of the old elementary school property, and discussed the possibilities for the property.
5. Mayor attended the Phoenix Cement's ADEQ Permit Public Hearing.
6. Mayor and the Plasma group met with Dr. Wolfe for a discussion on the feasibility of the project.
7. Mayor attended the Verde Birding and Water Festival, led tour of Tavasci Marsh.
8. Mayor attended the final budget workshop.
9. Mayor attended meeting on the City of Cottonwood's proposed annexation of state trust land.
10. Mayor had meeting with Yavapai County Supervisor Chip Davis.
11. Attended the Bureau of Land Management technical workshop meeting for continued discussion on population projections.
12. Mayor Von Gausig asked Councilmember Dehnert to report on his meeting with Maury Herman and his plans for the old market building.

Councilmember Dehnert reported that he had met with Mr. Herman and discussed his plan for the old market building and Councilmember Dehnert's concerns for the building. There is a plan that had been presented to the Town and approved by Design Review to remodel the building into three businesses that would all have Main Street accessibility. The economic market is not favorable at this time for this project and Mr. Herman is not inclined to move forward until he has committed tenants or a buyer. Councilmember

Dehnert explained the need to make some improvements which would prevent further deterioration and protect the public safety. Mr. Herman said that he would work on protecting public safety and preserving the building. Councilmember Dehnert volunteered to assist Mr. Herman's efforts to market the building by making area economic development organizations aware of the potential for the building.

13. Mayor Von Gausig met with Virginia Turner, Representative Kirkpatrick's local aide, to discuss the USGS study and the possibility of funding future water studies.

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

1. Town Manager Mabery informed the Council that May 30, 2009, will be the Town of Clarkdale Volunteer Appreciation Event. The event will be held in the Main St. Park at 5 PM. After the event Major Lingo will perform at the Town's Concert in the Park.
2. Town Manager Mabery reminded Council that the Town is actively recruiting volunteers to assist the Town in various events; Fourth of July, Concerts in the Park, Halloween, and Santa Comes to Clarkdale to name a few.
3. June 3, 2009, Town of Clarkdale and City of Cottonwood Councils will have a joint meeting in the Cottonwood Public Safety building to discuss the Cottonwood Forest Land annexation and discuss possible ways to protect the forest land between the two communities without annexation.

COCOPAI – A report regarding the Coconino Yavapai Resource Conservation District
Councilmember Williams reported no meeting held.

CAT – A report regarding the Cottonwood Area Transit
Councilmember Williams reported no meeting held.

NACOG - A report regarding the Northern Arizona Council of Governments
Vice Mayor Wiley reported he attended the NACOG board meeting which discussed normal business and the possibility of accepting the over one million dollar increase to Head Start. The point of Board discussion was that accepting the money would mean that all Head Start employees would receive a 4.9% pay increase. Problem was that there are no funds to increase pay of other employees of NACOG and the board felt that was not right. The board decided to accept the money with the stipulations.

NAMWUA - A report regarding the Northern Arizona Municipal Water Users Association.
Mayor Von Gausig reported that he attended the NAMWUA Executive board meeting where discussions continued on the possibility of augmenting water supplies with Colorado River water from Lake Powell or from Lake Mohave.

VRBP – A report regarding the Verde River Basin Partnership
Mayor Von Gausig reported they discussed water flow models for the Verde Valley.

VVLPI – A report regarding the Verde Valley Land Preservation Institute
Councilmember Williams provided minutes in the packet for the April meeting.

VVTPO – Report regarding the Verde Valley Transportation Planning Organization.
Councilmember Bohall reported that no meeting was held in April.

WAC - A report regarding the Yavapai County Water Advisory Committee
Mayor Von Gausig attended the meeting, WAC budget was discussed and the groundwater flow model update.

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 April 14, 2009 and the Special Meetings held April 28, 2009 & April 30, 2009
- B) Claims** - List of specific expenditures made by the Town during the previous month.
PPE 4/11/09, PPE 4/25/09 & April Check and 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 April 15, 2009
Design Review Board minutes of the meeting held April 8, 2009
Library Advisory Board minutes of the meeting held April 2, 2009
Planning Commission minutes of the meeting held April 23, 2009
Parks and Recreation Board minutes of the meeting held no meeting
Heritage Conservancy Board minutes of the meeting April 15, 2009
General Plan Update Committee minutes of the meeting April 16, 2009
- D) Proclamation for Town of Clarkdale Volunteer Appreciation Day**- Approval of a Proclamation declaring May 30, 2009 as Clarkdale Volunteer Appreciation Day.
- E) Resignation of Alice Burroughs From Parks and Recreation Commission** – Acceptance of the letter of resignation from Alice Burroughs from the Parks and Recreation Commission.
- F) Clarkdale Fire District Mechanical Repair Services Agreement** - Approval of the 2009-2010 Intergovernmental Agreement between the Clarkdale Fire District and the Town of Clarkdale for mechanic repair services.
- G) City of Cottonwood Mechanical Repair Services Agreement** - Approval of the 2009-2010 Intergovernmental Agreement between the City of Cottonwood and the Town of Clarkdale for mechanic repair services.
- H) Clarkdale-Jerome School District Mechanical Repair Services Agreement** - Approval of the 2009-2010 Intergovernmental Agreement between the Clarkdale-Jerome School District and the Town of Clarkdale for mechanic repair services.
- I) Clarkdale-Jerome Lions Club Facilities Use Agreement** – Approval of the 2009-2010 Reimbursement Agreement for the use of Town Facilities by the Clarkdale-Jerome Lions Club.

Vice Mayor Wiley moved to accept the Consent Agenda as submitted by staff. Councilmember Bohall seconded the motion. Motion approved unanimously.

NEW BUSINESS**BUDGET WORKSESSION – A worksession to discuss the 2009 - 2010 Fiscal Year Budget.**

Town Manager Gayle Mabery and Finance Director/Town Clerk Kathy Bainbridge provided the Council a PowerPoint presentation reviewing the most commonly asked questions from the Trial Budget Workshops and updated Council with revised revenue and expense estimates for FY 2008-2009, and new estimates on proposed Budget FY 2009-2010.

Town Manager Mabery reviewed the Frequently Asked Questions from the Trial Budget Workshops.

Finance Director/Town Clerk Bainbridge informed Council of a projected year end deficit of about \$50,000.00. The steps that are being considered to cover the shortfall include;

- Limit all department spending for balance of the fiscal year to mission critical items.
- Reduce the transfer of sales tax monies from the General Fund to the Streets Fund.
- The Street Fund appears to be in the positive for about \$25,000.00 and with Council approval fund transfer can be done.
- Transfer the unobligated portion of funds recently received from the Highlands Subdivision reimbursement to the General Fund. A resolution authorizing fund transfers is required and will be brought before Council at the June 23, 2009, meeting.

The 2009 - 2010 budget numbers continue to come in with more negatively impacting figures. The State has yet to adopt a budget and that unknown is going to impact the new 2009-2010 budget. Town Manager Mabery informed Council that in the past the Town has been able to prepare a preliminary budget and be ready to submit it to Council for approval in June. This year the Town will be using the full legal time to submit the budget to get the best estimates of State impacts. With the Town expecting further shortfalls in revenue and additional expenses, a 5% furlough in work hours is recommended, instead of returning to a full 40 hours. This should save the Town's General Fund about \$103,500.00, for the year and leaves the possibility of reducing or increasing. The town will reevaluate the need to remain on a reduced work schedule each quarter and staff will advise Council of its recommendation.

Mayor Von Gausig stated that this budget is not just a one year situation but the new way government is going to have to review budgets. The State is looking at possibilities of taking funds from Cities and Towns that were set aside for other purposes.

Councilmember Williams asked why choose going to 38 hours instead of staying at 36 hours. Town Manager Mabery stated that to stay competitive the Town needs to keep staff close to regional pay rate; however, to balance the budget the Town needs to keep the ability to change hours available. Budget revenues may require returning to a 36 hour week at a later date.

Councilmember Dehnert asked if the 5% work week reduction in the 2009-2010 Budget has the same effect as the current reduction of 10%. Projections will be made as we get into the fiscal year and consequently there may need to be adjustments. Projections over the last eighteen months have not been met and adjustments have had to be made by the Town to balance the budget. Five percent across the board for a full year would have the same basic effect as the ten percent cut for the half year the Town employed this fiscal year.

Councilmember Dehnert asked about tracking of the declining revenues in the State, and if it appears that the revenues are flattening out and beginning to stabilize, or getting worse. Finance Director/Town Clerk Bainbridge replied that sales tax, because of the time lag, still has some holiday sales numbers in them. The construction tax numbers are at about one half from those of last year. The Town is suppose to be at 83% of our sales tax revenues at this time of the year and sales tax revenues received so far are in the low 70 percentile and are expected to see a projected 15% shortfall over last year.

Mayor Von Gausig opened the Budget Worksession to public comment.

Frank Sa, Clarkdale, had a couple of statements and questions to ask and would like the responses held until the next meeting or next budget worksession so that additional residents could be present to hear the responses.

- At last Council meeting there was an agenda item regarding a salary range change. Was that adopted? (Yes) Parks and Recreation Supervisor title was changed and at a higher rate.
- I received the organizational chart for the Town and everyone else has a pay scale except the Finance Director/Town Clerk position.
- Requested the actual salaries of staff not just the salary range but the actual gross amount paid. In tonight's Council packet financial report it shows the Town pays about \$250,000 each month. When Mr. Sa was on the Council that was the amount being spent two years ago. If there has been a reduction then Mr. Sa does not see it.
- General Fund Revenues are getting transferred to the Administration from the various departments. Where do these funds go and what do they benefit?

Mr. Sa again requested these answers at a future meeting as he had to leave.

Robyn Prud'homme Bauer, Clarkdale, wanted to thank staff for the budget meetings. They were informative and well attended. Ms. Prud'homme Bauer was concerned about the accumulative effect of all the increases from the sales tax, property tax, sewer rate and APS tax. For many residents that could be hundreds of dollars for the total consequence for a year. For local business owners it is a double hit, the business and home. Ms. Prud'homme Bauer stated that she does spend as much money in Clarkdale as she can and the sales tax change will affect her buying and her business sales. If you want a voluntary donation added to the utility bill I would like it to be designated for assistance to those who cannot pay. She suggested the Town take the same types of cuts business have had to take, be willing to look at your benefit packages and make adjustments there also.

Mayor Von Gausig replied the Town is looking for about \$280,000.00, and the accumulative affect on a Town resident is less than \$100 per resident per year.

Jackie Leslie, Clarkdale, has been a resident of the Town of Clarkdale since 1977 and at that time there were only 6 or 8 people employed by the Town and they got the job done. Ms. Leslie had attended the last Trial Budget Workshop and got a copy of the budget from the Town and discovered it was an enormous budget with over fifty staff. Because of the paid health benefit cost increase of 12% added over last year, even without merit or COLA increases, staff will be receiving a higher fringe supplement. The Town pays all of the staff health insurance payment, and a large portion of family cost. That is a lot of money; nobody did that for her or ever had. The Police Department numbers are over a million dollars of the budget, how many Police on

each shift and how many shifts are there? Are vacancies going to be filled in the future? How can the Town increase the rate of the Franchise Tax that should have gone to the Corporation Commission for approval?

Mayor Von Gausig replied that he could not say the total number of employees we had in 1977. The requirements that the Town has to abide by are more stringent and we only had about a third of the population in 1977. There will be about 45 staff in the next fiscal year budget and Mayor Von Gausig does believe that tracts well per capita for the Town. Health insurance is required by large employers, and is needed to stay competitive in the marketplace. If you want good people to work for the Town, you need to be competitive.

Town Manager Mabery asked Ms. Leslie to stop and talk with Police Chief Haynie in regards to the Police shifts and coverage as they have public safety concerns. There is broad coverage and some shifts do overlap with some shifts having one officer and some having three officers, depending on the time of day and the Town experience.

Vice Mayor Wiley remarked that Town staffing is affected by unfunded mandates.

Mayor Von Gausig closed public comment.

ADJOURNMENT at 7:59 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, May 26, 2009**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 26, 2009, at 3:00 PM. in the Clark Memorial Clubhouse, Men’s Lounge, 19 N. Ninth, 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
Police Chief Pat Haynie
Deputy Town Clerk Walt Good
Community Service Supervisor Dawn Norman
Police Sergeant Chris Wylie

Town Clerk/Finance Director Kathy Bainbridge
Community Development Director Sherry Bailey
Utility Director Wayne Debrosky
Assistant Town Manager Janet Perry
Admin Assistant Margie Hardie

CALL TO ORDER at 3:06 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.

Vincent Ashworth, Clarkdale, spoke on the Town’s ordinance which only allows two vehicles at a residence under repair. Mr. Ashworth believes that these should be reviewed on a case by case basis. His personal cars are Jaguars and are collector items. They are never on jacks. Mayor Von Gausig request that Mr. Ashworth visit the Community Development Department for clarification.

Curt Bohall, Clarkdale, advised Council that Interstate Highway 17 Southbound will begin a pavement preservation project from Sunset Point Rest Area to Black Canyon City. The project will begin on May 25, 2009 and continue until January 2010. Beginning the week of May 25, expect long delays southbound from 8 PM to 8 AM daily.

CONSENT AGENDA - The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Council. All items are approved with one motion. Any items may be removed for discussion at the request of any Council Member.

A) Reports - Approval of written Reports from Town Departments and Other Agencies

Building Permit Report – April 2009
Capital Improvements Report - April 2009
Magistrate Court Report – April 2009
Police Department Report – April 2009
Water and Wastewater Report – April 2009
Clarkdale Fire District Report and Mutual Aid Responses Report – April 2009
Cottonwood Area Transit (CAT) Operations Report – April 2009
Verde Valley Humane Society – No report

- B) Verde Valley Humane Society Impound Animal Agreement – Approval of a 2009-2010 Verde Valley Humane Society Impound Animal Agreement.**
- C) Reimbursement Agreement for Use of Town Facilities with Verde Valley Theatre – Approval of a 2009-2010 Reimbursement Agreement for the use of Town Facilities by the Verde Valley Theatre.**

Vice Mayor Wiley requested that consent item A and C be pulled for discussion.

Vice Mayor Wiley moved to approve item B of the Consent Agenda as prepared by staff. Motion was seconded by Councilmember Bohall. Motion approved unanimously.

Vice Mayor Wiley asked that the April Police Report and the April Water/Wastewater report be pulled for discussion.

On the Police report Vice Mayor Wiley asked about the increase on the Suspicious People/Vehicle section and in the Other Types section. Police Chief Haynie replied that the Other Types section is up because of increased Police involvement on civil matters. This is also the reason for the Domestic Violence increase. The Suspicious People/Vehicle increase results from educating the public and getting increased calls to prevent car thefts. Councilmember Williams asked about the increase in the Traffic Warnings section. Police Chief Haynie replied that all officers are documenting all warnings, even verbal warnings, and that traffic is back on Hwy 89A now that the construction is finished.

On the Water/Wastewater report Vice Mayor Wiley noticed that there were 85 accounts that have wells and stated that these accounts affect our wastewater revenues. Vice Mayor Wiley wondered what could be done to determine the total flow/gallons into the Town wastewater system from these accounts.

Vice Mayor Wiley moved to accept Consent Agenda Item A as submitted by staff. Councilmember Dehnert seconded the motion. Motion was approved unanimously.

Vice Mayor Wiley asked if the problems from the past have been corrected with the Verde Valley Theatre Group. Kathy Bainbridge, Town Clerk/Finance Director replied that the Town had experienced difficulties with one play this past year. An agreement between the Town and the theatre had a damage deposit provision which had been changed. Additional vigilance by the theatre group helped ensure that the rules were being followed.

Vice Mayor Wiley moved to accept Consent Agenda Item C as presented by staff. Councilmember Dehnert seconded the motion. Motion was approved unanimously.

NEW BUSINESS

PRESENTATION BY THE COMMUNITY SERVICES DEPARTMENT - Discussion with Council regarding future plans for the Clark Memorial Library.

Assistant Town Manager Perry presented Council the newly formed Community Services Department. The Town is looking at ways of doing a better job of outreach and volunteer management with fewer Town staff. The new department will report to Assistant Town Manager Perry and be comprised of Community Services Supervisor Dawn Norman, Administrative Assistant Margie Hardie, Library Aide Carolyn Grey and Library Manager Charlotte Hawken. Ms. Norman and Ms. Hardie will move to the Library by the end of this week.

Assistant Town Manager Perry noted that this reorganization would enable the Town to staff the library and increase hours of operation from 24 to 40 hours per week. The library will be open 8:30 AM to 5:30 PM Monday through Thursday and 12:30 PM to 4:30 PM on Saturday and closed Friday and Sunday. Flyers announcing the increased hours will be distributed to the school this week for every child to take home. Assistant Town Manager Perry thanked Ms. Norman, Ms. Hardie and Ms. Hawken for their work at bringing this change about.

The Community Services Department will also be tasked with growing and managing the Town of Clarkdale Volunteers. This will help the Town staff areas with volunteers.

Discussion on the proposed phased remodel of the library was held and Council was informed construction would begin in the fall and would probably take about a month. Funds to cover Phase I of the remodel will come from the library grant that was used to re-roof the building already. Phase I plans will be needed to facilitate the Library improvements. Conceptional architectural drawings were handed out to Council.

Assistant Town Manager Perry thanked Public Works Director Steve Burroughs for his work on the conceptional drawings. Town Manager Mabery added that this work saves the Town considerable money over a consultant doing the master planning.

Public Works Director Steve Burroughs provided Council with the conceptional drawings for Phase I and described the changes. There will be limited funds and time to do the work. The building will use the existing furniture and equipment to save the Town money.

Vice Mayor Wiley asked if the remodel would have enough book shelf space. Public Works Director Steve Burroughs replied that it would, the existing shelves are not used to capacity. Vice Mayor Wiley reminded him that the bottom shelves are not used because of the difficulty to get down and back up when retrieving books from the bottom.

Mayor Von Gausig asked if the conference room would have windows for viewing into the Library. Public Works Director Steve Burroughs replied that there had been discussion to have windows and it would allow light into the area. Also the existing exterior windows in that area are single pane and should be replaced. Work on Phase I items are work that could be done in house.

Councilmember Williams asked why the Library needs two restrooms if it is short on space. Public Works Director Steve Burroughs replied that by bringing in a full department and being open more hours, more people using the facilities is expected. Councilmember Williams asked if the current restroom was used. Public Works Director Steve Burroughs said that it does get heavy use. The proposed restrooms would also be ADA compliant. Town Manager Mabery informed Council that Phase I would be done in the fall if funds for Phase II do not become available. The Town can do Phase I items with existing grant funds

Vice Mayor Wiley asked if there is a need for a conference room in the Library. Town Manager Mabery replied that staff is proposing the conference room to be used as a public meeting space bringing in more people to the Library.

Town Manager Mabery informed Council that Phase II is completely dependent on the Town getting stimulus money to perform the work as there are no Town funds available for Phase II.

Public Works Director Steve Burroughs presented Council with the conceptional drawings for Phase II and described the changes. This phase is predicated on the Town being successful in being awarded stimulus funds. The building will be expanded to the North, back of the building and to the East, right side looking at the building. This new construction will also allow a mezzanine area for more space.

Councilmember Williams asked what the construction support would be for the expansion. Public Works Director Steve Burroughs replied it would be post and beam.

Community Development Director Bailey spoke to Council about stimulus funding for the broadband infrastructure money for rural areas from the Department of Commerce. Funding is related to rural areas and looks at innovative programs that have been built into this concept on those guidelines.

Councilmember Dehnert asked Ms. Bailey about what economic stimulus this could bring to the area. Community Development Director Bailey replied that the proposed changes for long distance communication would allow the Town to expand and meet future demands. These innovative communication offerings would open the Town up for economic growth.

Vice Mayor Wiley asked if the building structure design could handle the new weight. Public Works Director Steve Burroughs stated that the design of the floor usage at a diagonal will spread the weight over several beams instead of one set. Closed circuit monitoring for the mezzanine area is being discussed.

Councilmember Williams congratulated staff on a terrific job of covering all the bases in both Phases and the conceptual drawings.

GRANT SUBMITTAL – Discussion and consideration for submittal of an application to the Greater Broadband Technology Operations Program for federal stimulus funding.

Community Development Director Bailey presented Council the reasons for applying for the Greater Broadband Technology Operations Program and that when the rules come forth the Town will have to react very fast. The National Telecommunication and Information Administration (NTIA) has provided local meetings in the area and Ms. Bailey and Ms. Norman attended the one in Flagstaff. Since then we have been monitoring what NTIA is sending out and expect the rules to be finalized by June 2009. NTIA has been frontloading the information and asking how the rural community would like the grant funding to be handled. This will be a onetime funding for the rural areas that are underserved on non-served. To qualify, the proposal has to be innovative. It is unknown at this time if there will be any Town liability, but if the grant is awarded the Council will review the grant before it is accepted. This grant is for the Library only, not the area broadband service. The area broadband service is a Verde Valley grant and the Town would be doing that with the other communities in the valley.

Councilmember Dehnert asked if we received the grant would there be a need for additional Town employees and other infrastructure needs that might affect the Town budget. Community Development Director Bailey explained that staff is looking at the sustainability of this and believes that this is manageable with existing staff and with working with others like an IGA with the Clarkdale-Jerome School District.

Councilmember Williams moved to approve staff to submit an application to the Greater Broadband Technology Operations Program for federal stimulus funding. Motion was seconded by Vice Mayor Wiley. Motion was approved unanimously.

BUDGET WORKSESSION – A worksession to discuss the 2009 - 2010 Fiscal Year Budget.

Mayor Von Gausig reviewed a PowerPoint presentation to Council that he had received at the League of Arizona Cities and Towns Executive Committee Meeting pertaining to the Arizona State Budget situation. Clarkdale has been concerned about the transference of the state vehicle tax money; this was not dedicated money but funds that the Town could use in the General fund. The State is looking for \$84 million of the money and Clarkdale's portion of that is expected to be about \$85,000.00. The League of Arizona Cities and Towns will be representing Arizona communities informing the State that we believe this is illegal. They are also looking at impact fees and a moratorium on construction sales tax. Mayor Von Gausig has spoken with Representative Peirce on both matters.

Representative Peirce believes that the impact fees are going to be reviewed. The impact fees are perceived to be mismanaged.

Mayor Von Gausig continued with the Powerpoint presentation describing the expenses and revenues of the State and the biggest problems the state is experiencing.

The Deputy Secretary of State said that the League may be able to stop the reduction of money going to communities this year but communities need to know that it will happen and begin to prepare for the reduced funds.

The State needs to do a better long term planning on how to fund for its needs.

Kathy Bainbridge, Town Clerk/Finance Director, described the repercussions of the proposed State budget item cuts on the Town of Clarkdale. Right now the State is talking about taking about 42% of the motor vehicle tax money. That may change and most likely go up instead of down.

Last meeting we came to Council with updates and revisions to the trial budget and recommendations for balancing the budget. \$85,000.00, represents 42% of the motor vehicle tax money the State is possibly holding.

Some of the options that Council will have for budget remedy for the \$85,000 shortfall are:

- Increasing the staff furlough from 5% (38 hours per week) to 10% (36 hours per week). For each every two hours reduction the Town General Fund is saving \$66,000 and the other funds about \$37,000.
- Emergency Services Sales Tax is a ¼% of the tax we are collecting. This year we balanced that budget with Police Department expenditures. The option would be Police Department equipment expense be set at \$35,000, which would return about \$33,000 to the General Fund.
- The transfer of street taxes from the General Fund to the HURF Fund can be decided at year end, based upon revenues.

Mayor Von Gausig stated that the State Budget numbers are affecting the Town and will in the future.

Town Manager Mabery stated that even when the Town gets those numbers some of those State reduction items may be litigated by the League and the Town could see more revenue. The Town needs to know what the options are and what the Town's plan to meet shortfalls will be.

The Mayor opened the agenda item up for public comment.

Frank Sa, Clarkdale, Mr. Sa thanked Kathy Bainbridge for the information that he had requested and received. On the wage calculation he had received, he asked if those were wages currently being paid. Town Manager Mabery replied that the current wages are at a 10% furlough rate and they have been since January 1, 2009. So the Town is operating at a 10% furlough and this reflects those current rates. Mr. Sa requested seeing one pay period. Town Manager Mabery replied that if he would like to come in to the Finance Department

that they could provide that information to him. Calculations provided are for a one week period and if you multiply that number by two you would have a pay period amount. Mr. Sa asked if he could get a copy of the Town expenditures for last month. Town Manager Mabery replied that that information is online and approved by the Council and is accessible through the Town web site.

Vice Mayor Wiley asked Mr. Sa if he had any suggestion for the Town with all the financial information that he is collecting. Mr. Sa replied that he did not at the present but would.

Jackie Leslie, Clarkdale, Ms. Leslie stated that she had gone to the Town and requested the Finance Director to provide her a list of employees, their salary/hourly wage, and job duties. What she gave me was an updated version, but Ms. Leslie believes that this did not tell her exactly who is getting what. She feels that she has been “snookered” and would like the information presented to be broken down into some pie charts to make it easier for her to understand for each department. Ms. Leslie said she was denied that because the Finance Director does not currently have that information in that form. Town Manager Mabery responded the Finance Director is correct we do not have that information in a pie chart form, we do have the information available to anyone and are willing to allow you to come in and review the information in the office or explain the information that you have already been provided. You can interpret the information that the Town has provided you and put that information into a pie chart form if you would like. The Town does not have the time or the funds to create information into new forms. Town Manager Mabery continued that she is sorry that this was not in the form that Ms. Leslie had wanted but that the information that was requested was supplied. Ms. Leslie stated she had asked others and the information could be turned into a pie chart with no effort by the Town.

Ellie Bauer, Clarkdale, stated that she was glad that the Mayor had stated that sales taxes are regressive. She understands the financial straits that the Town is in as most members in the community are experiencing financial difficulties. One of the items that the State could look at to help its financial woes is the sales tax on professional services. We have no service based tax. We can do a lot with the staff we have now and do not need to add staff. We are at the point of realizing that salary and fringe benefits are the Town’s biggest expense.

The Mayor closed public comment.

This agenda item was a worksession and Council took no action.

ADJOURNMENT – Mayor Von Gausig adjourned the meeting by unanimous consent at 5:00 PM.

APPROVED:

Doug Von Gausig, Mayor

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, May 26, 2009**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 26, 2009, at 2:00 PM. in the Administration Building Conference Room, 39 North Ninth Street, 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
Town Clerk Kathy Bainbridge
Community Development Director Sherry Bailey

Town Attorney Rob Pecharich

CALL TO ORDER: Mayor Von Gausig called the meeting to order at 2:00 P.M.

PUBLIC COMMENT – The Town Council invites the public to provide comments at this time. Members of the Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Town Clerk during the meeting. Each speaker is asked to limit their comments to five minutes.
There was no public comment

EXECUTIVE SESSION - The Council may vote to discuss the following matters in executive session pursuant to A.R.S. § 38-431.03(A) (3) discussion or consultation for legal advice with the attorney of the public body; and (4) discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body’s position regarding contracts that are the subject of negotiations. The Executive Session will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining item on the agenda.

Without opposition, the Council recessed to Executive Session at 2:05 P.M.

- A) LEGAL ADVICE ON CITY OF COTTONWOOD FORESTLAND ANNEXATION**
– Discussion and consultation with the Attorney for legal advice regarding the City of Cottonwood proposed forestland annexation.
- B) LEGAL ADVICE ON MINGUS SHADOWS APPEAL** - Discussion and consultation with the Attorney for legal advice regarding the Mingus Shadows Unit 3, Tract O lawsuit.

C) LEGAL ADVICE ON MOUNTAIN GATE SUBDIVISION SAFEGUARD BOND LITIGATION - Discussion and consultation with the Attorney for legal advice regarding the possibility of litigation with Safeguard Bond for bonds pertaining to Mountain Gate Subdivision.

ADJOURNMENT - Without opposition, the Council adjourned the Executive Session at 3:00 p.m. Without any further business, the Council adjourned the Special Session at 3:01 p.m.

ADJOURNMENT

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk