

**STRATEGIC PLANNING 2010**

A Special Meeting of the Common Council was held on Friday, February 26, 2010, at 8:00 AM in the Community Room of the Clarkdale Administration Building, 39 North Ninth Street, Clarkdale, Arizona for Strategic Planning.

Mayor Von Gausig called the meeting to order at 8:00 A.M.

Present:

Town Council:

Mayor Doug Von Gausig

Councilmember Patricia Williams

Vice Mayor Jerry Wiley

Councilmember Curtiss Bohall

Councilmember Richard Dehnert

Town Staff:

Town Manager Gayle Mabery

Town Clerk/Finance Director Kathy Bainbridge

Utility Director Wayne Debrosky

Community Development Director Sherry Bailey

Police Chief Pat Haynie

Public Works Director Steve Burroughs

Assistant Town Manager

Town Manager Mabery updated the Council on the progress made on items identified for staff to explore from Strategic Planning in 2009.

**Operational/System Improvements or Changes**

- Parks & Recreation Events – July 4<sup>th</sup>, Halloween, Santa, New Years and Concerts in the Park did a good job in reducing their costs. *The Concerts in the Park were completely funded by donations and volunteers and the New Year's event was cancelled.*
- Combine Library – Parks & Recreation services; establish Volunteer/Community Outreach Volunteer coordination, engaging community in creating meaningful participation program. *Completed*
- Police Department - *The Administrative Assistant is working on defining volunteer positions with Community Services for taking initial reports, crime scene security, neighborhood watch, house watch, accident/traffic control, juvenile transport to Prescott, Code enforcement – barking dogs, noise, abandoned vehicles, record keeping, some preliminary work with evidence.*
- Library – bring in to 21<sup>st</sup> Century maintaining general function, increasing focus on technology/media, increasing available computer stations. *Some renovations are being made with grants, but still seeking additional grants.*
- Newsletters - change distribution from quarterly mailing to use of 1-page monthly insert in Utility bill, allow non-utility customers to 'opt-in' for receipt of information on-line. *Small Talk now included with monthly utility bills.*

- On-line bill payments for utility customers. *Working on setting up by end of year.*
- Utilizing INCODE to full potential. *Have cleaned up many of the glitches with the set up of Incode and are moving forward with new modules.*
- Check out APS rates whether rate structure can be changed? *Have found that we are operating under the correct rate structure.*
- Establish impound yard @ Fisher house – or other location? *Found that converting one bay at the Town Yard would be more beneficial and practical.*
- Using retired police officers or other part time certified officers to cover holidays, vacations and other department needs. *Have one retired officer that is on reserve status.*
- CDD focus on Economic Stimulus, applications, Economic Development projects. *Formed a CREST group to monitor stimulus program and complete applications.*
- Coordinate and manage Mtn. Gate bond process. *Still moving forward with a lawsuit filed. The Town is doing inspections that are reimbursable.*
- Audit rental property tax collections. *Community Development has worked with Utilities.*
- GIS Planner transition to part-time in Utilities. *Completed*
- General Plan in process and on web site. *General Plan groups have met and are on target for a November election.*
- Offset Town Crew salaries with special projects (grants, Mountain Gate bond work). *Wages have been split out to be reimbursable from Yavapai Flood and Mountain Gate.*
- Shift existing staff salaries from General Fund to Utilities. *Two staff positions have been shifted from the Streets Department to the Utilities.*
- Water system documentation (mapping). *GIS position from Community Development has shifted 50% time to Utilities and has been mapping the systems.*
- Approach water system improvements in lower Clarkdale on section-by-section basis. *Have started on the water project in lower Clarkdale.*
- Use General Plan focus groups as access/contacts for other information. *General Plan Focus Group has been meeting and still on schedule for November 2010 election.*

### **Policy Issues or Council Action**

- Local sales tax. *Was increased from 2.25% to 3%*
- APS Franchise Fee. *A 2% franchise fee was instituted as of January 2010.*
- Property Tax Levy. *Was raised from to .71 to .9120.*

- Explore separating water company financing from Cottonwood. *Has been explored, but market is not good for bonding at this time.*
- Address increasing procurement limits. *The Financial Operations Guide and Town Code have been amended to increase limits.*
- Pool – cost impact of full season, partial season, not opening. *Pool was not opened in the 2009 or the 2010 season.*

### Fees for Service

- Cemetery fees. *Have been adjusted to reflect costs.*
- Wastewater rate increase. *Rate increase was approved.*

After the recap of the 2009 strategic planning session the group proceeded with the agenda for the 2010 strategic planning discussions.

### ➤ **Staffing Structure & Organizational Development**

#### Organizational Structure

An updated organizational chart was handed out to the Council which reflected the two eliminated positions along with the change in the Assistant Town Manager position to a Department Head position called Human Services Director. The new position will handle human resources along with the Community Services Department.

Working on a Voluntary Separation Agreement to be introduced the beginning of the fiscal year.

#### Delivery of Town Services - Impacts of staff reductions on daily operations and impacts of diverting staff to special projects on daily operations.

The Public Works Department has been cut in half since 2008. Staff wages have been spread across special projects such as the Yavapai County Flood Control program, Library improvements, and Mountain Gate. Wages for these programs are reimbursable by the special projects, which alleviated budgeting for those wages. Although there are additional buildings, grounds, streets and fleet for the department to maintain, their time must be spread out between the special projects proportionate to the wages budgeted through them.

#### Community Restitution/Volunteer Programs/Friends of Cemetery.

The Community Services Department started a Volunteer Program and has six volunteers spending 50-60 hours per month volunteering. A Restitution Program has also been instituted which has participants spending about 50 hours with another 30 hours remaining on special projects.

#### Boards and Commissions

Parks & Recreation – Currently working on their portion of the General Plan along with special projects such as Halloween, Santa, July 4<sup>th</sup> and Concerts in the Park.

Heritage Conservancy Board – Cleaned up the Reading Room in the Clubhouse so that it

could be used as an additional meeting room. Will be working more with the Museum in 2010 and moving towards merging the two entities.

Library Board- Operational hours have been increased along with starting a children's story time and a book club.

Managing Boards and Commissions is a big part of staff responsibilities. Internal discussions regarding creating efficiencies have taken place for volunteers along with meeting schedule changes for the Boards and Commission to meet every other month or even quarterly instead of monthly.

Sustainability Commission - Planning Commission could look at the structure and program of sustainability commission functions. Is there a need for an additional venue to funnel ideas through or could there be sustainability training woven throughout the community, Boards and Commissions, Council and staff.

➤ **Financial Planning & Administration**

2009/2010 Budget- Projected year end fund balances were discussed for the General Fund - (\$15,000), Capital Projects Fund - (\$169,000), HURF Fund - \$48,000 with the \$193,000 Street Transfer Tax, Wastewater Fund - (\$44,000), Sanitation Fund - \$50,000, Water Fund - \$62,000 and Cemetery Fund - (\$20,000).

Recommendations will be presented to the Council for transfers from the Sanitation Fund to cover the shortfall of the Capital Projects Fund and an adjustment in the Street Transfer Tax from the General Fund to the HURF Fund.

Currently, the Sanitation Fund has an accumulated fund balance of \$300,000. Previously, Council approved the Sanitation Fund to help fund technology purchases in the Capital Projects Fund. Those transfers were not made and the General Fund funded the purchases. The Sanitation Fund could also transfer funds to the HURF (Street) fund which could help fund street projects repairing street damage from the garbage trucks.

The Cemetery Fund should be evaluated regarding possible conversion from an Enterprise Fund to the General Fund and using some of the Cemetery Perpetual Care funds to stabilize the Cemetery Fund balance. Fee structures and payment policies could also be a part of the evaluation.

2010/2011 Budget - Projected shortfalls of approximately \$500,000 for the 2010/2011 budget were discussed along with increases in retirement rates, IT rates, and health insurance premiums. Although the shortfalls have been addressed in the tentative budget, there are various bills in front of the legislature that could affect the budget.

Health Insurance premiums increased 7.4% which amounts to about \$25,000 in the budget. The Council will have options to explore during the budget process which could shift some of the premium responsibility from the Town to the employees.

Water Rates – Projected shortfalls for the water department are \$33,000 for the 2010/2011 budget. This shortfall does not include budgeting for utility depreciation. Depreciation has not been budgeted for in the past, but has been a discussion with Council and auditors. Depreciation should be budgeted for and included in the rate structure so that funds are accumulated for future repairs or capital projects without borrowing. In order to cover the shortfall, without depreciation, rates would need to be increased 6.5%, or an additional \$2.00 per month, for a base rate of \$32.77. Base user rates, with the \$270.00 depreciation included, increase the base rate 59.3%, or an additional \$18.25 per month.

Variations of rate structures could include revising rates at different levels (tiers) of water usage along with the base rate increase and phasing in the cost of depreciation over a number of years. By adjusting rates with tier levels, those people conserving water, or using less would be less impacted than those with large water usage. Phasing in the cost of depreciation over a number of years would keep the increases at a more manageable rate.

Sewer Rates – Projected shortfalls for the sewer department are \$54,000 without depreciation. The sewer utility has the same depreciation issues as the water utility, only with an annual depreciation of \$64,000. In order to cover the shortfall, without depreciation, rates would need to be increased 15%, or an additional \$4.17 per month. Base user rates, with depreciation included, would raise the base rate 33%, or \$9.12 per month. The sewer utility has been budgeting for line replacement which could be considered as depreciation and would decrease the impact on the rate increase.

➤ **Economic/Community Development**

The Highlands – PTM Development- The Highlands development is starting discussions with the Town. There are a few options in their development agreement that could be amended to be a better fit for the Town in today's economy.

Church Property – The Highlands development agreement has a provision for the development to provide a 3000 square foot building for Town use. The Catholic Church has initiated discussions regarding purchase/long-term lease of their building which is about the size requirements in the development agreement. The Highlands could purchase that property and turn it over to the Town instead of building a new space. This would provide additional space within the Town complex that could have a variety of future uses.

Parks – The Town should investigate the options of having a larger park in the development along with some private neighborhood “pocketparks” vs a few public parks. The Town would then have only one larger park to maintain, which would save staff time, and the Highlands would be responsible for maintaining the smaller neighborhood parks.

WWTP – It would be more feasible to have the development build a small wastewater package plant to accommodate the development versus additions to the Town's existing wastewater treatment plant. This could save the Town from making additions to the plant in hopes the development would build out.

Downtown Renovations – There is concern regarding the condition of the historic buildings in the downtown area. The Community Development Department along with the Heritage Conservancy Board could get together with the historic building property owners to have discussions regarding the loss of historic buildings due to lack of maintenance. Downtown revitalization discussions could draw in new businesses and sustain the current businesses. Preserving the past is as important as developing the future. Richard Dehnert would like to take on this project in coordination with SHIPO and the Chamber of Commerce.

Clarkdale Sustainability Park – (CSP) - The CSP is moving forward using a phased approach. The first phase is the wastewater reclamation site which is the responsibility of the Town. Wastewater reclamation has an economic development focus because the commercial properties along 89A would need room in the wastewater treatment plant along with the Highlands.

An update to Council from the Clarkdale Sustainability Park Feasibility Study Scope of Work Group regarding their work in progress on the Feasibility Study will be scheduled for March. The group members have created a Table of Content that will be used to develop the application for the CSP Feasibility Study funding. The study will examine all three sites in the phase one study. Phase two is more detailed studies and there will be public participation in both phases.

The Clarkdale Sustainability Park Planning Group is made up of Gayle Mabery, Janet Perry, Sherry Bailey, and Mayor Von Gausig. The Town is investigating grant availability through the Walton Family Foundation for administrative funding. The Walton Family seems intrigued with the project and we hope for some funding.

“An Evolutionary Solution for a Sustainable Community” seems to have moved into being a Vision Statement of the Town, not just the Sustainability Park.

A Water Adequacy Designation would cost \$10,000 to \$15,000 to get the designation with a four month timeframe which could be paid for from water development funds. This designation quantifies available water resources in the Town’s service area, identifies resource limitations, and requires others seeking a Water Adequacy Report in the same ground-water basin to account for the Town’s designated water in their study. The Designation of Adequate Water Supply also demonstrates the Town of Clarkdale’s commitment to long-term water planning and management. The Town will move forward with this in April.

➤ **Partnerships, Communications & Information Technology**

Website/IT Services – The Town has invested time and resources over the past few years to upgrade the computer and phone systems. Maintenance costs alone are very expensive along with moving forward with the replacement programs for the computers. IT hourly costs have also risen which have been addressed by cutting the number of hours available.

## STRATEGIC PLANNING

February 26, 2010

- ❖ **STAFFING STRUCTURE & ORGANIZATIONAL DEVELOPMENT**
  - ❖ Adjust Work Flows and Service Delivery to Accommodate Loss of Two Eliminated Positions
  - ❖ Restructure Assistant Town Manager Position and Responsibilities
  - ❖ Explore Additional Voluntary Programs That Could Result in Staff Reductions
  - ❖ Continue Monitoring Revenues and Expenses to Determine Impacts on Staffing Levels and Service Delivery
  
- ❖ **DELIVERY OF TOWN SERVICES**
  - ❖ Explore Opportunities to Supplement Staff Resources By Addressing Efficiency/Organization of Boards and Commissions
  - ❖ Increase Volunteerism and Identify Roles for Volunteers to Provide in Clarkdale
  - ❖ Explore Job Training, Safety and Liability Issues for Volunteer Programs
  - ❖ Communicate Impacts on Services That Result from Staff Reductions
  - ❖ Explore Further Special Projects and Grants that Provide Opportunities to Utilize Existing Town Staffing Resources
  
- ❖ **FINANCIAL PLANNING AND ADMINISTRATION**
  - ❖ Develop Trial Budget and Hold Trial Budget Public Meetings
  - ❖ Formulate Depreciation Policy
    - Evaluate Appropriate Reflection of Depreciation in General Fund, Enterprise Funds and Streets Fund
  - ❖ Recommend Wastewater/Water Rate Structures
    - Evaluate the establishment of a target for gpcd
    - Evaluate water rate tier structure; incentivize low water use
  - ❖ Develop Sanitation Capital Fund Policy & Evaluate Rate Structure in Sanitation Fund

- ❖ Define Policy for Fund Balances
- ❖ Define Cemetery Financial Strategy
  - Explore Conversion of Cemetery From Enterprise Fund to General Fund
  - Evaluate Cemetery Fee Schedule and Policies For Payment of Fees

## ❖ **SUSTAINABILITY**

- ❖ Explore Options to Ensure that Sustainability is part of the Culture of Decision Making in Clarkdale
- ❖ Pursue Water Adequacy Designation

## ❖ **ECONOMIC/COMMUNITY DEVELOPMENT**

- ❖ Economic Development
  - Work with Property Owners in Downtown Business District to Explore Resources for Building Preservation
  - Explore Regional Enterprise Zone
  - Clarkdale Sustainability Park
    - Secure Outside Funding for Project Administration of CSP
    - Focus on Water Reclamation Project as 1<sup>st</sup> Phase of CSP
    - Consider Plasma Conversion Technology as one Long Range Option, Recognize Plasma Conversion Challenges as an Obstacle to Short Term Consideration
    - Ensure the Feasibility Study Has Full Evaluation of All Potential Sites for the CSP, Remain Open to the Use of Any of the 3 Identified Sites
- ❖ Land Use/Community Development
  - Amend Development Agreement for The Highlands Subdivision
    - Explore Wastewater Collection Options
    - Discuss Public vs Private Parks in Subdivision
    - Explore Options to Address Requirement for Public Facility
  - Annexation of Clarkdale Metals Property North of Existing Town Boundary
  - Explore Boundary Agreement with Town of Jerome

## ❖ **PARTNERSHIPS, COMMUNICATIONS & INFORMATION TECHNOLOGY**

- ❖ Retain and Enhance Existing Partnership with League of AZ Cities and Towns
- ❖ Approach Legislative Advocacy As a Shared Responsibility Among Mayor and Council
- ❖ Strengthen Relationship with Clarkdale Chamber of Commerce
- ❖ Strengthen Relationship with Verde Valley Regional Economic Organization (VVREO)

**ADJOURNMENT 4:30 PM**

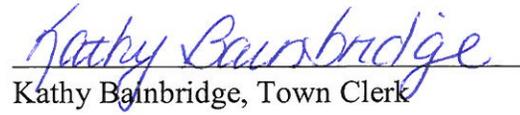
APPROVED:



---

Doug Von Gausig, Mayor

SUBMITTED/ATTESTED:



---

Kathy Bainbridge, Town Clerk