

**Minutes of a Special Session of the Common Council of the Town of Clarkdale
Held on Tuesday, June 15, 2010**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, June 15, 2010, at 3:00 p.m. in the Administration Building Conference Room, 39 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 3:00 P.M.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Richard Dehnert

Councilmember Patricia Williams
Councilmember Curtiss Bohall - Absent
Councilmember Bill Regner

Town Staff:

Town Manager Gayle Mabery
Public Works Director Steve Burroughs
Community Development Director Sherry Bailey
Attorney Robert Pecharich

Town Clerk Kathy Bainbridge
Building Inspector Paul Grasso

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 §38-431.03(A)(3) discussion or consultation for legal advice with the attorney representing the public body; A.R.S. §38-431.03(A)(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 in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. The executive session will be held immediately after the vote and will not be open to the public.

**A) PROPOSED SETTLEMENT WITH BOND SAFEGUARD INSURANCE
COMPANY ON MOUNTAIN GATE SUBDIVISION PROJECT CLAIM PER
A.R.S. §38-431.03(A)(3)&(4)**

Without opposition, the Council recessed to Executive Session at 3:05 P.M.

Without opposition, the Council adjourned the Executive Session at 3:40 p.m.

MOUNTAIN GATE SUBDIVISION - Discussion and consideration of action to authorize the Town attorney to settle the Town claim against Bond Safeguard Insurance Company on the Mountain Gate Subdivision Project and authorization to execute a release upon receipt of total payment.

Attorney Pecharich reported that he had filed a Complaint against Bond Safeguard Insurance and has been negotiating a settlement with Bond Safeguard Insurance

Company regarding the Mountain Gate Subdivision project without much progress. Bond Safeguard's final cash offer to the Town is \$795,000. Town engineers and staff are confident that \$795,000 will pay for completion of the important items:

1. Sealant on the streets that do not meet the Town standards so that they can be dedicated to the Town and the Police Department can have jurisdiction on those streets (currently considered private streets).
2. Chip sealing the dirt portion of Centerville Road.
3. Installation of remaining street lights needed in the existing residential area.
4. Cracks in the round about.

The cash offer lets the Town decide the priority of work to be completed, have the ability to use Town staff on portions of the projects, and bid out projects for completion.

The Development Agreement stays with the land. If a new developer comes in, they must abide by the Development Agreement or re-negotiate a new Agreement.

Bond Safeguard, in turn for full payment within 30 days, will receive a settlement release.

Mayor Von Gausig opened the meeting to Public Comment.

Peter deBlanc, Clarkdale – HOA representative for Mountain Gate stated that the dirt portion of Centerville Road was the group's first priority and then completing the streets so they could be dedicated to the Town.

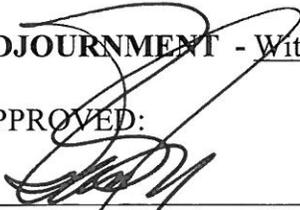
Mayor Von Gausig closed Public Comment.

Vice Mayor Dehnert moved to accept the proposed \$795,000 cash settlement from Bond Safeguard Insurance Company on the Mountain Gate Subdivision Project conditioned upon payment receipt within Thirty days. Motion seconded by Councilmember Williams. Motion withdrawn.

Vice Mayor Dehnert moved to accept the proposed \$795,000 cash settlement from Bond Safeguard Insurance Company on the Mountain Gate Subdivision Project conditioned upon payment receipt within Thirty days and authorization for Mayor Von Gausig to execute the settlement release upon receipt of the total payment. Motion seconded by Councilmember Williams. Motion approved unanimously.

ADJOURNMENT - Without opposition, the Council adjourned at 4:05 p.m.

APPROVED:



Doug Von Gausig, Mayor

ATTESTED/SUBMITTED:



Kathy Bainbridge, Town Clerk