

**TOWN COUNCIL OF DEWEY-HUMBOLDT
SPECIAL SESSION MEETING NOTICE**

Tuesday, July 11, 2017 2:00 P.M.

**COUNCIL STUDY SESSION MEETING
2735 S. HWY 69**

**COUNCIL CHAMBERS, TOWN HALL
DEWEY-HUMBOLDT, ARIZONA**

AGENDA SUMMARY

1. **Call To Order.** The meeting was called to order at 2:02 p.m. by Mayor Nolan.
2. **Roll Call.** Town Council Members Jack Hamilton, John Hughes, Doug Treadway, Victoria Wendt; Vice Mayor Mark McBrady; and Mayor Terry Nolan were present. Councilmember Amy Timmons was absent.
3. **Special Study Session.** Legal action cannot be taken.

3.1. Northern Arizona Council Of Governments Presentation on Community Development Block (CDBG) and Housing Grants available to Town [Presented by Isabel Rollins, CDBG & Housing Director, NACOG]

Isabel Rollins of NACOG gave a PowerPoint presentation that explained the Community Development Block Grant (CDBG) grant statistics and process. This is a U.S. HUD program that provides funds for housing and community development activities throughout the U.S. Arizona Department of Housing in Phoenix oversees the rural programs. There is a four-year rotation cycle and D-H is slated to receive the CDBG grant in 2019. There will be public hearings held in Fall 2018 to gather input; Winter 2018 Council will select the projects they wish to pursue; May 2019 applications are submitted. Only one project can be chosen, no multiple projects. Eligibility is based on meeting a 51% low to moderate-income population in the area of the project. Certain projects require income surveys to be conducted. Automatically qualifying criteria are normally those that involve senior citizen projects; disability improvements i.e. ADA. Income surveys are not required in these instances. Ms. Rollins presentation included overview of past D-H grants and examples of grant projects.

Councilmember Wendt spoke that as a new Councilmember, she is naïve to some of what NACOG does exactly. Being a 25-year resident she is aware of people who have lost their homes, possibly due to fire, or they are elderly and at risk of losing their homes or homeless. Ms. Rollins said they could get a NACOG application and be placed on the waiting list. The unfortunate truth is that there are not enough funds to help as much as needed. Greater needs are prioritized higher based on different factors. They also refer some people to U.S.D.A. Rural Development who have some funding for up to \$7,500 for seniors over 62 years of age. At times, they have asked local banks or foundations for assistance with small, quick repairs such as heating repairs. This can be accomplished on the NACOG website. Councilmember Wendt asked about emergency roads that need to be put in. Ms. Rollins explained that when it comes to roads, an income survey would have to be conducted for the people that would be utilizing the road. She also noted that the assistance could not be used for maintenance, it is meant for improvements. The grant is not available for private roads.

Councilmember Hamilton asked about the split of funds. Ms. Rollins explained that the NACOG region is four counties, Yavapai, Coconino, Apache and Navajo. The \$2M is divided by these four counties, with Yavapai getting the largest portion based on population.

Mayor Nolan asked if emergencies such as the need to make a home ADA-compliant for a wheelchair would qualify. Ms. Rollins spoke of these types of projects being tough to meet. If she

gets emergency funds this is the type of thing they try to accomplish. She spoke of Habitat for Humanity and Coalition for Justice Step-Up helping with some of these quick repair-type issues.

Mayor Nolan thanked Ms. Rollins for the information she provided.

3.2. FY 16-17 Financial Report (July 1, 2016 – June 30, 2017)

Town Accountant Moore gave an overview of the Financial Statement for 2016-2017, which was included in the meeting packet. Accountant Moore pointed out that there would still be a few expenses and revenue as they trickle in for the year-end. It would create a small fluctuation. Cash comes in at \$3.8M, HURF is at \$460K, and the line items look good as well as the percentages.

Councilmember Hamilton asked what the difference was in the amount taken in vs. the amount spent. Accountant Moore pointed out that on page 7 these figures were reflected at revenues of \$1.789M and expenses of \$1.519, which resulted in \$270K to the positive. Councilmember Hamilton thought this overage was supposed to have been spent down this year. Town Manager Kimball explained the bearing that HURF had on this figure. Public Works Director Hanks spoke of a one-time project being held up by ADOT work and some bills not having been received yet.

Mayor Nolan thanked Accountant Moore for her hard work.

3.3. Public Works Quarterly Report (April 1, 2017 – June 30, 2017)

Public Works Director Hanks gave a handout of his report to the Council and highlighted some of his projects. The completed fog-coat maintenance to 6.2 miles of road; chipsealed 6.85 miles of road; graded 8.5 miles in the fall and 8.5 miles in the spring; 140 tons of hot patched was placed on town-owned roads, of this 80 tons was placed on Old Black Canyon (OBC) Highway. One-time budgeted projects included additional fog coating; the CDBG project; and the previously mentioned OBC Highway hot patch repair. Director Hanks also described the completed flood control funded work and the in-house work and responsibilities performed on a regular basis. Detailed information on each of these projects were available in his handout. He also noted that Dumpster Days project would be repeated in September. Director Hanks has also been chairing the CYMPO-TAC meeting the last few months.

Councilmember Hamilton spoke of Director Hanks having accomplished a lot and it is appreciated, as roads are the most important thing in D-H. Councilmember Hughes and Mayor Nolan agreed with Councilmember Hamilton and commented on this as well.

Director Hanks spoke of seeing more in-house projects completed in the next year and less on-call. He also presented some before and after photos of completed projects on the bridge project; the CDBG project and a Foothills drainage project.

4. Special Session. Discussion and possible action. Legal action can be taken.

4.1. Intergovernmental Agreement with Yavapai County Flood Control District for FY 2017-2018. Possible acceptance, rejection or modification of the IGA.

Mayor Nolan asked Public Works Director Hanks if this is the same basic contract as previous years. Director Hanks said that it is. Last year was \$60K and it increased to \$65K this year.

Councilmember Treadway asked Director Hanks' ideas for projects this year. Director Hanks referenced eight years of projects at \$60-80K per year having been submitted two years ago. He spoke of low water crossings that require rebuilding and a few streets that need culverts; these are specified projects for this year.

Councilmember Hamilton made a motion to approve the Intergovernmental Agreement with Yavapai County Flood Control District for FY 2017-2018, seconded by Councilmember Hughes. The motion was approved unanimously.

4.2. Discussion on forming a Town Policy for taking on town roads. [CAARF requested by CM Hamilton]

Councilmember Hamilton gave an overview of his CAARF.

Councilmember Treadway left the dais at 2:57 p.m. and returned at 2:59 p.m.

Councilmember Hamilton spoke of this matter being preliminary but he felt the need to get a discussion going and that he has questions such as his first one. Should the Town use eminent domain to gain road right of way? Is the Town going to keep this as a tool, or take it off the table.

Mayor Nolan spoke that he does not feel the Town needs to use eminent domain. You still have to pay for the survey, pay for the appraisal and pay for the property.

Councilmember Wendt feels it should only be used in extreme cases. She is not saying take it out; it may be necessary in the future. She spoke of needing the cooperation of the citizens and residents to have these roads and that is where it should begin, dialogue with the residents.

Councilmember Hamilton agreed that it should only be used as a last resort tool, with other ways being tried first. He spoke of a partial consensus, but a road policy needs to reflect a super majority of the Council approve things.

Mayor Nolan feels this is not necessary right now; everything may change by the time they need to do anything.

Councilmember Treadway agreed with Councilmember Wendt and Councilmember Hamilton that eminent domain is a last resort tool, could come down the pike.

Councilmember Wendt complimented Councilmember Hamilton on his excellent list and that he had a lot of good points, although she thinks it may be just a little early.

There was further Council discussion regarding land acquirement for new roads; the Town taking over private roads; the process that will be faced; and having Engineering look at this.

Councilmember Hughes spoke of the policies in place regarding private road transition being too extreme and the need to lower the standard a little to come up with a happy medium. He spoke of this project requiring some time and thought.

Mayor Nolan spoke of Staff already having been directed by Council to have Engineering look at this. Councilmember Hamilton spoke of Staff's time being wasted, if Council is not in agreement. He posed the question of whether a Town road has to connect to a Town road. Director Hanks confirmed this. Director Hanks spoke of many of Councilmember Hamilton's questions on his list being answered in the private to public transition policy.

Councilmember Hamilton spoke of the basics being covered. He wanted to get the ball rolling and continue at a later date. He asked Director Hanks if he needed more questions answered. Director Hanks spoke of taking the current road policy and revising it to come up with a standard for the whole Town.

4.3. Discussion and possible direction to Staff to negotiate a contract with a recruiting firm or qualified individual for the permanent Town Manager. [Directed at the June 30, 2017 meeting]

Councilmember Hamilton recommended going with a firm, rather than an individual, and preferred Slavin Management Consultants (SMI).

Councilmember Treadway recommended going with a firm and had a slight preference for SMI. He requested input from the other Council Members.

Councilmember Hughes noted that the two firms appeared to be within \$1K of each other, but he would go with SMI.

Mayor Nolan spoke of going with the "little guy", noting that he took our Town Manager from us and it is fair that he finds us a replacement. He deals with smaller towns and is cheaper.

Councilmember Wendt said she has no problem with either firm. She noted that SMI guarantees their work. She also had no problem with checking out the small town guy.

Mayor Nolan again supported the individual, rather than a firm, as he felt the individual would be more suitable for a small town like Dewey-Humboldt.

Vice Mayor McBrady recommended delaying the long-term process and allowing the ad they placed to run its course. Get the interim in place then move on to the next step.

Councilmember Hamilton spoke of this taking time; delaying it a month adds more interim expense. He disagreed with putting the process of replacing the permanent Town Manager position.

Mayor Nolan spoke that the Council will advertise but Council needs to get started on something.

Vice Mayor McBrady spoke of Council rushing into this and getting the wrong choice. There is cost involved one way or the other, interim or permanent. He supports Council handling the process that will result in them getting what they want, someone they can work with.

Councilmember Treadway spoke of Vice Mayor McBrady making some good points, however, CM Treadway read over some information from the League and they recommend not delaying the process, but being wary of an impulsive choice as well. CM Treadway would like time to formulate questions, research the firms and make an educated decision.

Mayor Nolan supported the information material received from the League as containing good and helpful information.

Vice Mayor McBrady supported Councilmember Treadway's statement and recommended having a Study Session to discuss what they want for background and experience. He noted Council is capable of doing this and the decisions should not be passed on to anyone else. Council needs to make the choice themselves.

Councilmember Hamilton spoke of there only being ads out for the interim position, not the permanent TM position. He spoke in support of the work the firms would do to recruit candidates.

There was further Council discussion about the pros and cons of a recruitment firm and the timeline of the two positions.

Councilmember Wendt believes that Council needs to get an Interim Manager in place who is well qualified so they can select a permanent Town Manger. The Interim Manager step needs to be taken first, and then look at full-time. She stressed that it will take a qualified person to run this Town. No member on the Council has the experience necessary to serve as Interim Town Manager.

Councilmember Treadway spoke of the pros and cons to both approaches, hiring a firm and hiring in-house. He spoke that the time required of the Council to handle this would be incredible. A recruitment firm could find the traits in a candidate the Council is looking for.

Mayor Nolan left the dais at 3:37 pm. and returned at 3:39 p.m.

Councilmember Hamilton clarified that the interim and full-time positions are two separate things. Both can be worked on at the same time and they are time sensitive. He spoke of not liking the process used previously during the Town Manager interview process, and he does not want to repeat that method.

Councilmember Wendt spoke of not needing fancy brochures. She is not saying to hire a recruiter, but get an interim in place first to keep the Town functioning while they look.

Councilmember Hamilton cited no Council majority on this issue and Council needed to move on.

4.4. Council decision on an Interim Town Manager [CAARF requested by CM Wendt]

4.4.1. Reconsideration of the action taken at the July 7 2017 meeting wherein Council voted not to enter into a contract with Interim Public Management, LLC.

Mayor Nolan asked Councilmember Wendt to explain her CAARF.

Councilmember Wendt spoke of her CAARF's Purpose and Background Information getting out a little too soon on her and she meant to strike the sentence regarding "past Council Members approached her and asked her to reconsider her vote". When they finished up last week and voted in favor not to go with IPM, she voted not to go with it. She cited her father as a very wise man who had a saying "penny-wise and pound foolish". She spoke of past Council Members who were present and some citizens who listened in. She looked at it as if the cost would be a great concern, she is still concerned about the cost, but she believes that it is more important to get someone in here who is qualified on a temporary basis, the work on getting a permanent Town Manager. She listed items of concern to her that will require extreme knowledge: 1.) The General Plan update 2.) Superfund site 3.) Right of way with the BLM 4.) Animal Ordinances 5.) Roads 6.) Budget 7.) New Town Clerk, requiring the support of an experienced Town Manager. Councilmember Wendt recommended reconsidering looking at the contract with IPM. An experienced Interim Town Manger will bring in fresh ideas and the Town needs somebody highly experienced to run this Town.

Councilmember Hamilton spoke of the fees involved with IPM and having issues with the contract. He supports finding a caretaker, someone local who can train and be informed on these issues. Work on the permanent Town Manager process, so we don't have to have an interim for long.

Councilmember Treadway spoke of Councilmember Wendt's persuasive argument. He noted the discussion and vote that took place last Friday and recommended letting the ads run their course. At that point, if there is then no agreement, amongst Council, then contact IPM. He inquired what would be done with the applications received by the ad process. He does not like doing business like this. The Town doesn't need a Cadillac, when a Ford would serve the same purpose.

Councilmember Wendt spoke of becoming involved with the Town three years ago when she discovered that there were Codes and Ordinances that were not ratified and codified properly. If Council fails to hire a qualified individual to run this Town, there could be some

very bad results. It will be a grave mistake if they do not bring in someone qualified. She said the applications that have come in could be sent on to IPM. Prior people (Councilmembers) who she spoke with outside at the last meeting acknowledged making mistakes during the last Town Manager hiring process. She supported going with a professional.

Councilmember Treadway cannot support spending the kind of money required to employ IPM. The Town could end up spending more on an Interim Manager than finding a full-time Manager. He does not find this a good way to do business.

Councilmember Hamilton cited that many of the concerns that Councilmember Wendt brought back are actually Council decisions, not Town Manager decisions. The Town Manager does not make those decisions and a lot of that goes through the Town Attorney. He cited that the morale can't be real high, as they have lost the Town Clerk, another employee before that, and now the Town Manager. You are going to pay an Interim three or four times what everybody else is making, but you are not going to pay them? We are willing to spend money on outsiders, but not on our own people. Councilmember Hamilton said he does not like that. He believes a caretaker Town Manager would serve the Town's needs. He spoke of a previous interim situation that didn't work out. He believes going with IPM would be a mistake.

Councilmember Wendt thanked Councilmember Hamilton for bringing up the point of the attorney being here. She believes that attorney fees will skyrocket, if there isn't a qualified person. The Town Clerk is brand new and has to have someone to rely on that knows what they are doing. She reiterated being concerned about costs. Get the interim in here and get the Town Management process started through a recruitment company. She believes the attorney fees will be substantial if they go with someone inexperienced.

Mayor Nolan reported that he has asked the Town Attorney to attend the meetings. He noted the attorney fees are a part of the budget.

Councilmember Hughes spoke of being confused by Councilmember Wendt first speaking of not wanting to rush in and get a permanent manager, but then she spoke of timely manner in regard to her list of concerns i.e. General Plan; Superfund; Roads, etc... you are not in a hurry for a permanent one, but you want to speed up the process on an interim that you are going to pay four times the amount of money for. He expressed being at a loss on this. Council will be the ones delegating what way to go on those larger issues. Have a manager for the house, let the course run on the ads and see what comes of it. CM Hughes disagreed with handing submitted applications on to IPM, who could turn around and give them back one of the applications, and pocket the money saved. There are four applications already, let's see what comes about in the next two weeks and go from there. The concentration should be on the permanent replacement instead of the interim. He is not going to let the soapbox outside delegate what is going on with Council. We are the Council now; they are not anymore, plain and simple.

Councilmember Wendt spoke of there being three new members on the Council and she respects and appreciates when other people give her their thoughts. She is learning as quickly as she can. She again passes the advice "pennywise and pound foolish" on to Council. Councilmember Wendt agrees they can wait and she will go with the Council on what they want. She feels the Interim Manager should be an experienced, well-qualified

individual. She knows that there is not one person sitting on this Council qualified to serve as Interim Manager.

Councilmember Hamilton spoke of not appreciating Councilmember Wendt's comment on the ordinance thing of three years ago as that fell on the current Town Manager.

Mayor Nolan remarked that Councilmember Hamilton blamed the Town Manager for something she did not do.

Councilmember Hamilton said no one could catch everything. He spoke of this being a split issue, recommending Council move on. Mayor Nolan noted that there was no motion or second on the item.

Mayor Nolan also spoke of there being several applications currently and expects to receive more. If an agreement is signed with IPM, the current applications should not just be turned over to IPM. He was against this process to start with and is still against it, but the process was started and they need to proceed. If they don't find anybody, then they can enter into a contract with IPM.

4.4.2. Review and possible authorization of signing a retainer letter to retain IPM to submit qualified candidates to the Town for consideration of an Interim Town Manager.

No action was taken.

4.5. Whether to hold additional special session(s) this month. This is an established agenda item for Council's discussion on whether to add an additional special study session and if so, to set the date.

Council reviewed the Tentative Agenda List for upcoming meetings. There was discussion to set a date for a special meeting to go over applications for the Interim Town Manager position. It was determined after discussion to hold a meeting on Thursday, July 27, 2017, at 6:30 p.m. or Friday, July 28, 2017, at 8:00 a.m. This meeting would be set based on Councilmember Timmons availability.

5. Adjourn. The meeting was adjourned at 4:12 p.m.