

**SPECIAL BUDGET MEETING NOTICE
TOWN COUNCIL OF DEWEY-HUMBOLDT
Monday, June 11, 2012, 10:00 A.M.**

**COUNCIL SPECIAL BUDGET SESSION
2735 S. HWY 69**

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

AGENDA SUMMARY

1. **Call to Order.** The meeting was called to order at 10:03AM.

2. **Roll Call.**

Town Council Members David Hiles, Mark McBrady, Dennis Repan, Denise Rogers (arrived at 10:08AM), Nancy Wright; Vice Mayor John Dibble; and Mayor Terry Nolan were present.

3. **Special Budget Agenda.**

3.1. Council Deliberation of FY2012-13 Tentative Budget. Discussion and possible action.

Town Manager Kimball gave an overview, noting there was nothing new in the budget; rather it reflects the changes that Council made since the acknowledgement of the tentative budget. She reviewed the level of service table, the new personnel plan after recently losing one employee, the CIP schedule, and contingency funds.

There was discussion about contingency funds and the amount to allocate in contingency.

Councilmember McBrady made a motion to make the contingency fund \$200,000, seconded by Vice Mayor Dibble. No vote was taken on this motion due to passing a conflicting subsequent motion.

Public comment was taken on this item.

Jack Hamilton spoke in favor of going up to 30% (\$400,000) for contingency funds, if needed the Town will have enough money to do what is necessary.

Andy Peters spoke in favor of bringing contingency funds up to the maximum amount.

Councilmember Hiles made a motion to raise contingency funds to 30% of the budget, seconded by Councilmember McBrady. The motion passed by a 5-2 vote, with Councilmembers Rogers and Wright voting against.

Councilmember Wright spoke on the budget being a policy document, whether to require a report before approving reimbursement, how we determine whether we are sending a Councilperson to any particular meeting and how much money to set aside for those meetings.

There was discussion on the Training and Travel line item, whether there is a need for a Council retreat, meeting attendance and an associated budget amount for Council.

Councilmember Repan made a motion to leave the Training and Travel budget as is, the entire amount \$15,600, seconded by Councilmember Hiles. The motion passed by a 6-1 vote with Councilmember Wright voting against.

Public comment was taken on this item.

Jack Hamilton spoke on the Council retreat and they must have something concrete come out of it and the Town should not belong to WAC.

Jerry Brady spoke on the Council retreat noting six church camps along Senator Highway available for retreats, APS has a speaker's bureau available at minimal cost and participating in WAC.

Andy Peters spoke on leaving the number as is because Council should have external perspective to see what others are doing.

There was further discussion on setting a policy and being aware of opportunities or meetings that come up at the last minute

Councilmember Wright made a motion to create policy to reimburse training and travel expenses for the Mayor and Council that fall in line with the Town Code when the Mayor and Council are representing the official business of and for the benefit of the Town. Councilmember Wright amended the motion to add with Council's pre-approval, seconded by Councilmember Rogers. The motion passed by a 6-1 vote with Councilmember McBrady voting against.

Public comment was taken on this item.

Jerry Brady spoke on an ordinance already enacted by the Town Council giving the Mayor a discretionary budget to expend without prior approval, he also spoke on the Town Attorney finding no financial abuse and another Town ordinance must be enacted to change an earlier ordinance.

Bart Brush spoke on having some funds allotted for each Councilmember to attend a meeting they felt was important without having to go through Council for approval, promoting better community/Council relations and trust.

Jack Hamilton noted a motion was made but not a second.

Town Manager Kimball spoke on creating a policy document for the Town Council to review upon passage of this motion.

Councilmember Wright spoke on the Attorney stating the Town should have something in its Administrative Rules about reimbursements.

Town Manager Kimball stated for the rest of this current fiscal year the expenses will go to Town Council for pre-approval.

Town Manager Kimball reviewed the WAC updated dues of \$4,000. Vice Mayor Dibble spoke on WAC presenting the updated dues at a recent meeting he attended, noting he is in favor of being a member of WAC as there is a lot more at stake than exempt wells.

There was discussion about the varying fees which is based on population; WAC is a water advisory committee who does not enact legislation, what WAC does with the dues received and their budget.

Public comment was taken on this item.

Jerry Brady spoke on SRP alleging they exercise authority in this area, not exclusive ownership, it being a judicial issue, not a legislative issue, that WAC or any person could intervene with the courts. He also spoke on Water Resources in the Economic Development Plan from the City of Prescott.

Jim Lindell spoke on \$4,000 being a small fee to have a voice and a lobbyist.

Jack Hamilton spoke on water being one of the most important things in Arizona, who has control of it and Council directed Mr. Dibble to vote no on the increased fees.

Ellie Demesquita spoke on this being a priority issue, if the Town does not attend these meetings it would be foolish.

Andy Peters spoke on it not being clear what WAC does with the money they receive.

Vice Mayor Dibble noted WAC dues pay for a full-time water representative for the County, legislative reports, conducting studies and tests. Councilmember McBrady and Mayor Nolan spoke in favor of being informed and involved with WAC. Councilmember Hiles spoke against the WAC membership.

Public comment was taken on this item.

Jerry Brady spoke on the necessity to make a distinction between the ownership of water as a property right and the permit to use excess surplus water owned by the state.

Mayor Nolan made a motion to continue involvement in the WAC committee, seconded by Vice Mayor Dibble. The motion passed by a 5-2 vote with Councilmember Hiles and Wright voting against.

Councilmember Wright spoke on salaries, per Town Code 3301(A)(C) it requires Council approval to hire someone over the midpoint; and concern with giving salary increases before probationary period is met.

Town Manager Kimball reviewed the salary increase of 4% including 2.3% COLA based on a resolution which is effective at the beginning of the fiscal year and the 1.7% merit occurs on the anniversary date.

Mayor Nolan made a motion to approve this part of the budget as presented by the Town Manager, seconded by Councilmember Hiles.

There was discussion on adjusting the salary ranges to allow for the COLA, hiring a new employee somewhere within the salary range and applying the COLA increase equally across eligible staff.

Public comment was taken on this item.

Jack Hamilton spoke on following or changing the Town Code as a Council decision, not ignoring it.

Jerry Brady spoke on hiring employees within the salary range and Council having the authority to change the terms of an employment contract.

Councilmember Hiles withdrew his second. No other second was received so that motion failed.

Councilmember Hiles made a motion that the salary ranges that are currently listed be increased across the board by the amount of the COLA, 2.3%, and that the Town Manager has discretion to give merit increases to employees up to one step increase on anniversary date, seconded by Vice Mayor Dibble.

Councilmember Hiles spoke on allowing the Town Manager to give up to 5%, one step merit increase, on the employee's anniversary, which would conform to policy, noting the Town Manager knows to use her discretion and knows what Council wants.

There was discussion on how that action would affect the budget. Town Manager Kimball spoke on the 2.3% COLA and up to a 1.7% merit increase being adequate and reasonable and a 5% merit would be a major increase to the budget. She also spoke on the magistrate's salary and increase.

Public comment was taken on this item.

Jack Hamilton spoke on typical Town Manager support for salaries and the possibility of a 5% merit increasing the budget about \$12,000.

Jerry Brady spoke on retention of good staff dependent upon the level of appreciation extended to them, high cost of living in this area and the Town getting a bargain for keeping good employees.

Councilmember McBrady spoke on the Town Manager likely preferring to know what Council is asking her to do instead of an unknown risk.

The motion failed by a 4-3 vote with Councilmember Hiles, Repan and Vice Mayor Dibble voting in favor.

Councilmember Wright made a motion to increase the salary range by the amount of the COLA, 2.3%, keep Town Manager's budget as is, using her discretion for up to a 1.7% merit increase, seconded by Councilmember McBrady. The motion passed unanimously.

Mayor Nolan made a motion to recess for lunch and come back at 1:30PM, seconded by Councilmember McBrady. The motion failed by a 4-3 vote with Councilmembers Hiles, Repan, Rogers and Vice Mayor Dibble voting against.

There was discussion about recessing.

Mayor Nolan called a 10 minute recess at 12:25PM. The meeting reconvened at 12:38PM.

Councilmember Wright spoke on the IT contract and Accountant contract. Town Manager Kimball noted the IT contract is due this December for negotiation; OSP Professional covers the Accountant contract, the current contractor offers a different level of expertise and the Town can utilize him if necessary. Councilmember Repan asked if there was a specific date after which the Town would not utilize the Accountant contractor's services. Town Manager Kimball stated the contract the Council entered with the Accountant is open-ended and she budgeted money if there is a need for those expert services.

There was discussion about the Accountant contract, having the flexibility and the benefit of using someone with that level of familiarity with the Town.

Councilmember Hiles made a motion to leave the OSP Professional Contract - Finance budget as presented, seconded by Vice Mayor Dibble. The motion failed by a 4-3 vote with Councilmembers McBrady, Repan, Rogers and Wright voting against.

Public comment was taken on this item.

Jack Hamilton spoke in favor of keeping OSP Professional services until an Accountant is hired and spoke against slack in the budget.

There was discussion about the amount of money budgeted to the OSP Professional Finance budget. Town Manager Kimball noted it was also for some bank services.

Councilmember McBrady made a motion to allow \$5,000 in the OSP Professional Finance budget, seconded by Councilmember Rogers. The motion failed by a 4-3 vote with Councilmembers Hiles, Repan, Vice Mayor Dibble and Mayor Nolan voting against.

Councilmember Hiles made a motion to change OSP Professional Finance budget to \$10,000, seconded by Councilmember Repan. The motion passed unanimously.

Mayor Nolan declared a recess at 1:00PM. The meeting reconvened at 1:19PM.

Town Manager Kimball noted that during recess she updated the changes that were made to the budget so far.

Councilmember Wright spoke on minor changes to the commentary section of the Budget which she will review with the Town Manager Kimball at a later date.

There was discussion about the Public Works budget and the number of roads anticipated to chip seal. Town Manager Kimball stated her conclusion was the Town could do at least four miles of chip seal because CDBG will do several miles this coming year, and their scope is the downtown Humboldt area, no dirt roads.

Councilmember McBrady spoke on not having enough money in the Community Development line item and that \$7,000 is insufficient. There was discussion about the cost of dumpster day being approximately \$4,000 each. Councilmember McBrady noted Little League requested \$2,700 and the historical society \$7,200 for one year of rent. There was discussion on where in the budget to cut in order to fund these three items.

Councilmember Repan spoke on roads being important but if the Town cannot do anything else for the community, the future is questionable.

Councilmember McBrady made a motion asking the Town Manager to review the budget in order to increase the Neighborhood Outreach line item to \$20,000.

Councilmember McBrady made a motion to utilize funds from the Excess of Revenues over Expenditures line item for the Neighborhood Outreach line item to include: one additional dumpster day, one year historical society rent and Little League, seconded by Vice Mayor Dibble. The vote passed by a 5-2 vote with Councilmembers Hiles and Wright voting against.

There was discussion about the historical society and funding their rent for one year.

Public comment was taken on this item.

Jerry Brady spoke on the budget being conservative, roads are one of the largest expenses, additional federal funding available for roads to upgrade fire access roads, using solid waste disposal grants for dumpster day and dedicated funding for history based tourism for the museum.

Jack Hamilton spoke on the appearance of excess funds but it is not excess, the Town not living within its budget and using extra money to do more roads which was a top priority for many Councilmembers.

Kevin Leonard spoke in favor of the Town helping the historical society and putting the interest in the people instead of roads.

Councilmember Wright spoke on voting as a responsibility of the government. Councilmember Hiles spoke against spending the community's money to pay the rent on the historical society building and if the community wants it, they will come forth to support it.

Public comment was taken on this item.

Jerry Brady spoke on history based tourism and encouraged all to attend the Jerome Historical Society meeting.

4. Comments from the Public.

Jerry Brady spoke on the importance of an Economic Development Plan and the Town bypassing large sources of revenue by not having one.

Andy Peters spoke on maximizing the Town's chances to get grants, creating employee objectives for obtaining grants and the ability to measure objectives.

5. Adjourn. The meeting was adjourned at 2:08PM.

SUMMARY