

**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
SPECIAL "BUDGET" SESSION WORKSHOP #3 MINUTES
TUESDAY, MAY 13, 2014, 9:00 A.M.**

A SPECIAL "BUDGET" SESSION OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON TUESDAY, MAY 13, 2014, AT TOWN HALL AT 2735 S. HIGHWAY 69, DEWEY-HUMBOLDT, ARIZONA. MAYOR TERRY NOLAN PRESIDED.

1. Call To Order. The meeting was called to order at 9:04 a.m.

2. Roll Call.

2.1. Town Council. Town Council Members Jack Hamilton, Mark McBrady (absent at roll call, arrived at 9:54 a.m.), Dennis Repan, Nancy Wright; Vice Mayor Arlene Alen; and Mayor Terry Nolan were present. Council member Sonya Williams-Rowe were absent.

3. FY 2014-15 Budget Deliberation. Legal Action can be taken. Council deliberation and possible action to modify Preliminary Budget content.

3.1. Review of Preliminary Budget by Funds and Departments (General Fund – Revenues, Expenditures: Town Council and Management, Town Clerk, Finance, Legal, IT, Magistrate Court, Public Safety, Engineering, Public Works, and Community Development, non-Departmental; HURF – Revenues, Expenditures: Engineering, Public Works; Grant Fund).

Town Manager Kimball reviewed where Council had left off on the budget at the last meeting. Council will look at HURF and the following pending issues: Agua Fria Festival, Museum, Public Works-third employee. Ms. Kimball spoke on requiring an accountability contract if granting funds for either the Museum or the Agua Fria Festival.

DHHS Museum - Ruth Thomas, Treasurer of the D-H Historical Society spoke to the Council on a possible rent increase of \$30/month and increase in utility costs; the DHHS holding a successful Pioneer Day event. She answered council questions on the financial standing of the 501C3 (IRS obligations for 2013 are fulfilled); fundraising efforts and grants received; DHHS requesting \$7200 for 1-year's rent when the current 1-year's rent is \$7560.

There was discussion on last year's decision to fund but stipulated to have it be the last year; possibly doing a phased withdrawal of support; how the museum benefits the town. Council decided to wait until a full council can vote on this decision.

Agua Fria Festival – Bob Greene, representative for the Lions' Club and the Festival spoke to the Council on why the festival was turned over to the Lion's Club (lack of volunteers to produce the festival); the need for additional funding to hold the festival; the return on investment for the town in previous years; having to rebuild the festival since it was not held last year. He answered council's questions on rentals; discounts, fundraising, donations, and advertising.

Council discussed when the decision on the discretionary funding/spending items may occur and their priority for funding these requests.

Mr. Greene left the meeting. There was discussion on the amount invested in the past for the festival and the ROI to the town; whether this was a sponsorship or a grant; if the Lions' Club will return anything to the town; what the benefit is to the citizens of this town; how

the monies from the festival account are being handled since being transferred to the Lions' Club.

Councilmember McBrady arrived to the meeting at 9:54 a.m.

There was more discussion on what the agreement was between the Lions' Club and the Festival (only providing the manpower to put on the festival). Council agreed they wanted to have someone from the Lions' Club come to talk with the Town Council on the financial situation between the Lions' Club and the Festival.

3rd Public Work Employee justification – Public Works Supervisor Ed Hanks spoke to the Council on the additional work that is being done with the extra Public Works employee, reviewing what has specifically been done over the period of additional staffing (in-house versus outside provider). There was discussion on rental equipment; drainage projects; switch from reactive to proactive for road work; town's next equipment purchase needs (water wagon and excavator); storage for equipment.

Old Black Canyon Highway – Town Manager Kimball spoke on information coming in the day before from Councilmember Hamilton regarding this issue. Councilmember Hamilton asked Council about whether to put Old Black Canyon Highway on the 6-year maintenance plan or not. There was discussion on the town's liability with the road; expense for establishing legal ownership; legal questions that would need to be answered before maintaining road.

Mr. Hanks spoke on the cost to get the road (existing paved portion) up to a maintenance standard – 1) On-call contract work \$122k; 2) 2-year phase 1st year in-house work \$24k and second year on-call contract \$105k; 3) all hot-patch repair done in-house – total cost \$81k. There was discussion on bringing the unpaved section up to a standard as well. There was discussion on how adding OBC Highway into the 6-year plan would impact that plan. There was more discussion on liability and how to fund this additional work.

Council discussed sending CM questions on OBC Highway for the attorney to answer at a special meeting work session in July. Councilmember Hamilton stated he would not approve the budget unless Old Black Canyon Highway is included in the budget on 6-year maintenance plan. This special OBC meeting with the attorney will be arranged.

Town Manager Kimball spoke on new revenue numbers. She reviewed those things that affect this: No impact fees collected next year, interest from investments added, Engineering design for the trailhead grant and foothill drainage projects; consideration of purchasing Public Works equipment (water wagon and excavator). Ms. Kimball explained the purchase of heavy equipment would only occur if available used. Similar level of service has been budgeted as last year. Increased costs for chip seal was discussed. There were questions on which roads get done each year and how much money is in HURF fund account.

Additional Truck Purchase – Ms. Kimball spoke on her recommendation to purchase a third pick-up truck to add to the current 2-truck town fleet. Currently staff uses personal vehicles when town vehicles should be used. Council directed staff to bring this item back with the other items that the council will deliberate on when a full council is present, along with a new printout of what the current budget looks like, at the next meeting.

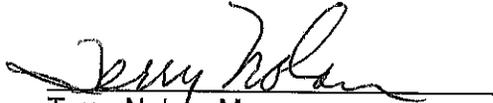
3.2. Future meeting scheduling and additional budget-related discussion topics.

There was discussion on whether and so when to add an additional budget meeting. Additional 9am budget meeting is scheduled for May 20th.

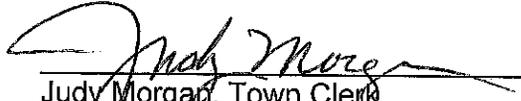
4. Comments from the Public. None.

5. Adjourn.

Councilmember Hamilton made a motion to adjourn the meeting, seconded by Councilmember Repan. It was approved unanimously. The meeting was adjourned at 12:11 p.m.


Terry Nolan, Mayor

ATTEST:


Judy Morgan, Town Clerk