

**MINUTES  
EAGAR TOWN COUNCIL  
PUBLIC HEARING  
22 W. 2<sup>nd</sup> Street, Eagar, AZ  
July 5, 2011 - 6:00 P.M.**

Mayor Kim Holaway called the meeting to order and welcomed those present. Mayor Holaway said to let the record show that Vice-Mayor James Nelson, Jr. is absent and that all other council members were present.

COUNCIL PRESENT:           Kim Holaway, Mayor  
                                  Gary Finch  
                                  Byron Smith  
                                  Steve Erhart  
                                  Debbie Rogers  
                                  Tim Rasmussen

COUNCIL ABSENT:           James Nelson, Jr., Vice Mayor

STAFF PRESENT:           Bill Greenwood, Town Manager  
                                  Bruce Ray, Community Development Director  
                                  Eva Wilson, Town Clerk  
                                  Katie Wood, Finance Administrator  
                                  Steve Christensen, Public Works Administrator  
                                  Mike Hogan, Police Chief

**ITEM #3: NEW BUSINESS**

**A. PUBLIC HEARING – DISCUSSION OF FISCAL YEAR 2011-2012 BUDGET AND CAPITAL IMPROVEMENT PLAN**

Town Manager Bill Greenwood listed the highlight items that are budgeted for the fiscal year to include:

- Boys & Girls Club \$20,000 plus \$18,000 repayment to savings
- Main Street Pitch In-Clean Up requested budget for \$800 for signs and miscellaneous expenditures
- Cemetery Committee’s request for \$5,700 for sprinklers, grass, trees, shrubs, and a bench in the newest section
- Agenda software system for council meetings \$6,000
- Software for Community Development \$11,600
- Complete software upgrade to Caselle, new Server and 18 new PC’s \$72,100
- Shopping plaza paving and lights \$23,000
- Electronic sign \$11,000 (half the cost of sign shared with schools)
- Full-time public works administrator
- Part-time finance clerical position
- Full-time police clerical position
- Springerville-Eagar Regional Chamber of Commerce \$12,500

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- Round Valley Senior Center \$25,000
- Eagar Daze \$5,000 (without T-shirt purchases)
- Elections \$10,700
- Lieutenant position buyout (expend \$45,328 with \$28,000 savings the first year and savings of \$70,000-80,000 thereafter if position not refilled. There will be some additional pay scale increases to two Sergeant positions if Lieutenant position not refilled.)
- State Centennial Celebration and/or July 4, 2012 \$2,500
- Two town entrance signs \$5,000

Mr. Greenwood stated that some items from the highlight list are discretionary purchases, meaning they could be purchased at any time during the fiscal year, be partially funded, some purchases could wait until the second, third, and fourth quarters, or not funded at all. The fiscal year budget for 2011-2012 has line items that are vastly similar to last year's budget. All department heads were very conservative this year just as they have been for the past three years.

Due to the unknown amount of reimbursable revenues due to the Wallow Fire, some line items throughout the budget may increase or decrease depending on amounts received. Therefore, departments will only make discretionary purchases and only after discussion between department heads and approved by the finance administrator as cash flow allows.

The Capital Improvement Plan is considered by departments to be an extra wish list of those items that they need but not immediately and can wait until there is cash on hand at the end of the fiscal year.

Finance Administrator Katie Wood reported that there was a 2.73 % increase overall in employee health benefits. The staff is recommending that the Town continue to pay 90% of benefits for employees as required by the medical benefit contract, and 70% for dependent medical benefits, same as last year.

Revenues are based on historical estimates and some line items show revenue when there was never revenue in the line item before. Many of the revenues are based on the same amounts as last year with the exception of revenues that will be reimbursed due to the Wallow Fire. Wallow Fire reimbursements are expected to be more than just the \$215,000 fire department reimbursement. Revenues for building permits are slightly higher in expectation of homes that are flooded and those property owners applying for building permits. Fine and forfeiture revenues are based on a historical average over the past four years.

The Impact Fees of \$19,000 are budgeted with equal revenue and expenditure so that it cancels itself out if the fees are eliminated. However, they are in place in case the Council chooses to continue with the Impact Fee collection even though a mandatory plan or study of the fees has not been budgeted.

Mr. Greenwood clarified the subject of Wallow Fire revenues. The approximate \$215,000 is for fire department reimbursement. There will be additional revenue due to the leasing of the event center to the Incident Command Team and they are paying 90% of the electrical bill at the event center. The Arizona Emergency Management request for reimbursement will be for police and administrative costs.

The Interdepartmental Transfers are transferring of funds to HURF that the Town owes \$200,000. Utility was giving the General Fund revenue last year, however this year General Fund revenues needed to be shifted to HURF. Utility Fund owes the Town \$1,000,000 as reported in the financials. There is \$800,000 in Contingency Revenue.

The Utility Enterprise Fund is anticipated to increase in January with the upswing in the economy the Consumer Price Index is expected to rise. The water and sewer connection fees are budgeted significantly lower than last year. User fees for water and sewer revenues are consistent with last year's numbers.

Eastern Arizona Preference Pooling Authority allows the Town to purchase electricity off the grid at a lower pre-agreed amount. It generates revenue now because our excess is sold to Yuma Irrigation District. We're not buying energy that we're not using which allows for at least \$8,000 in additional revenue for the Town.

Mayor Holaway asked for questions by the Council.

Councilor Tim Rasmussen inquired about the Public Works Director full-time position and needs clarification if an additional position will be hired if a Public Works Director is hired from within the department. Mr. Greenwood stated the Town would advertise for the position at the current salary range of the former Public Works Director. There will not be another position created because there was a position vacated in May. The temporary positions that were originally proposed are not going to happen because the CDBG project has been pushed back a year.

Councilor Rasmussen inquired about the \$20,000 decrease in expenditures in Community Development. Community Development Director Bruce Ray explained that his assistant, Elecia Henderson, is being shared between public works, utility billing and the police department.

Councilor Rasmussen commented on the drastic decrease in police department training line item. Chief Mike Hogan stated that he needed to cut and this was the only line item that he had available to cut from and he will have to make it work.

Councilor Rasmussen wanted clarification on Parks and Recreation Budget. Ms. Wood described the need to show the pass through trail, as in being a pass through for the Youth Basketball League insurance policy; the same is true for the Softball League and Eagar Daze donations or contributions; the Town needs to show all the funds that are passed through the Town.

Mayor Holaway asked the public for public input and comments. There was not any input or comment from the public.

Councilor Steve Erhart stated that he has already had clarification on his questions regarding the budget during a meeting with Mr. Greenwood and Ms. Wood today.

Councilor Byron Smith would like to place on record that prior to the fiscal year 2008-2009 the Council contributed \$20,000 to the Springerville-Eagar Regional Chamber of Commerce annually. When the Council cut the contribution to the current amount of \$12,500 due to economic hardship, they had stipulated that the contribution could increase back to \$20,000 and he would like to see the contribution increased to \$20,000 at some point in time. It was discussed and it is suggested that the additional \$7,500 be placed on the contingency list for this fiscal year.

Councilor Erhart stated that the line items that have no prior history of revenue should not have an arbitrary number in the revenue line item. Contingency expenses should match the contingency revenue that we put in every revenue category instead of the line items.

**ITEM #4: ADJOURNMENT**

Councilor Steve Erhart motioned to adjourn the meeting at 6:59 p.m. Seconded by Councilor Byron Smith; all were in favor, the motion carried unanimously and the meeting adjourned. 7-0

Attest: \_\_\_\_\_

Mayor: \_\_\_\_\_

Vice-Mayor: \_\_\_\_\_

Council: \_\_\_\_\_

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CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes are true and correct copy of the minutes of the work session of the Town of Eagar, Arizona held on July 5, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

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Eva M. Wilson, Town Clerk