

Springerville Town Council
Budget Work Session
May 29, 2019
5:00 p.m.

Council present: Phil Hanson, Jr. Mayor
Robert MacKenzie, Vice Mayor
Ruben Llamas, Councilmember
Shelly Reidhead, Councilmember

Staff: Joseph Jarvis, Town Manager
Val Cordova, Town Clerk
Heidi Wink, Finance Director
Mike Nuttall, Police Chief
Sean Kienle, Airport Manager
Susan Seils, Heritage Museum Director
Sharon Pinckard, Communities Services Director

Mayor Hanson called the work session to order at 5:07 p.m. with a quorum present.

Public participation: No public present

4. Council, Manager and Staff Reports:

Councilmember Reidhead reported she's been working with people wanting to move businesses back to Springerville

Mayor Hanson reported on the clean-up of the Udall property which is going well.

Manager Jarvis reported he attended a presentation regarding transitions away from Coal Power Plants. The meeting was focused on helping communities and policy makers to understand the steps in making the transition. He said his takeaway from this is that he was able to connected with people who have access to resources such as the town manager from Page, whose power plant is closing in December. Others present were elected officials from the House and Senate in Mexico and in Colorado. They talked about laws they passed to help mitigate negative impact as the coal plants close down. He also connected with resources from ASU for possible access to research regarding making a better transition, we're not aware of that may be beneficial. They encourage us to start the communication now.

He also reported that while in Tempe he was able to locale a phone number and an email address for the company that now owns the property in front of Value Inn (old Conoco station). He's going to reach out to them and get information regarding either putting something back in or possibly selling the property to an interested buyer. The next item was the League's annual conference and who would be attending. Three councilmembers raised their hands to attend. Manager Jarvis reported that he talked with the Manager Steve Best of Apache Sitgreaves National Forest about their five-year capital improvement plan. Mr. Best said they have orders from Washington to consolidate some of their resources, meaning they will be consolidating remote locations into their main office on Chiricahua Street which means that we will need to be proactive in improving Chiricahua street and the intersection due to the amount of traffic. He and Tim will be meeting with the local ADOT representative regarding mutual interests especially Highway 60 and on June 8th is the Round Valley day of Clean-up beginning with a pancake breakfast.

Saturday, June 1st is the annual Aviation Expo and the Green Thumb Garden Club is also meeting on Saturday, June 1st at the Heritage Center.

5. FY 2019-2020 Budget:

Manager Jarvis started out saying that he's pleased with the work that the staff team and Heidi did to put this budget in order and they all strived to be conservative.

The staff team strived to be conservative with their budgets. He explained that they would go through each fund one at a time. Modifications to the budget were handed out noting that is also two budget requests, from outside entities.

General fund: There 14 different departments that rely on mainly city sales, state revenue, urban revenue and vehicle license tax (VLT) and additional revenues such as building permits. There is a \$150,000 CDBG grant match that will come out of reserves for CDBG and the park remodel and another \$100,000 for the public safety building. They will not be taking any money out of the Local Government Investment Pool (LGIP). There should be enough money in the reserve account in the National Bank checking to cover these.

Manager Jarvis noted that we are requesting \$10,000 in administration consulting fees in case we need support. He also pointed out in \$10,000 Finance. This would be to contract with Employers Council, our HR company to review and adjust our salary matrix for about \$10,000.

Recording system is to have a new recording system for the council chambers. The current recording system needs to be upgraded.

Chief Nuttall explained that our current system for the door locks is outdated and no longer functions. The current system is older than 10 years but it also glitches. We hope to make improvements to both town hall and the police department.

New full-time employee. Manager Jarvis explained that both Chief Sadler and Assistant Chief Robert Peña have talked with him regarding having two full time positions. They are struggling because of federal regulations. The fire department is preparing a presentation and documentation for the council to understand the process for a fire district. He feels there's value in bringing in a Battalion Chief position. They've negotiated with Chief Sadler that he would discontinue operating as the Fire Chief on or before June 30, 2020. Chief Sadler recognizes that it's time for him to step down. There is qualified staff within our department to apply for this position. This new position would be a fire fighter who can be a paper pusher. The hiring will be managed by himself.

Council budget page 3: Mayor Hanson asked if the travel and training budget needed to be raised. Capital improvements for the public safety building is budgeted in the council budget.

Donation requests:

Boys and Girls Club are requesting \$10,000. A suggestion was made that maybe some of the money could be used from tourism tax. Manager Jarvis read a letter explaining why they were requesting funds.

Vice Mayor MacKenzie noted that the Town used to heavily funded them until they became self-sufficient and pulled back.

Councilmember Llamas wondered why they were just hearing about this when they give reports every meeting.

The next request is for a sponsorship from Little Colorado Revitalization Foundation at \$1,500, \$3,000 or \$10,000. They are also asking for assistance with overtime staff hours, and space on August 7th, 8th and 9th for a reception at the Heritage Museum and possibly a dance at the Becker parking lot for the Rural Policy Forum.

A recommendation was made to go through the Tourism Tax for the sponsorship as this will be bringing in tourism.

Manager Jarvis recommended that both of these requests be brought back as a regular agenda item.

Chief Nuttall also reported that the Historical Society would be asking for \$1,000. He was advised that \$1,000 was already in the budget.

Police department – page 9, no changes – Uniform allowances is budgeted under another other benefits.

Heidi noted that there is a significant increase in retirement. There is a 9 to 12% increase in Public Safety and we didn't have to pay retirement on two officers.

Fire Department: Manager Jarvis explained that there was previously no retirement but with a full-time employee we need to add the Public Safety Retirement.

Manager Jarvis reported that staff is working on an annual equipment and vehicle replacement each year

Heritage Museum – page 14– No changes

IT Services- SUNSTATE Technology Group- lease for new computers purchased previously in and monthly maintenance are now reviewing email addresses to remove any unused one. They charge per email address. An email will be left for the Mayor the others will be removed. SUNSTATE has a two-year contract

HURF-page 17- Drop in wages is due to employee turnover. Heidi noted that the state passed their budget and the Town could get extra money allocated to cities and towns and will know more in June.

Manager Jarvis reported that \$30,000 has been budgeted in professional and consulting services in HURF, water and wastewater services. These three funds will be utilizing some of their cash balance to hire an engineer. We budgeting money in order to create the capital improvement plan, the maintenance replacement plan and in following years this will be less. We also budgeting some money for road improvement.

Heidi also noted there is a \$30,000 grant match for a project in 1920 next fiscal year.

Airport: Heidi explained that Sean has asked for a part-time employee to fill in on his off days and for on call two and ½ days a week as a back-up.

Manager Jarvis advised the council that they proposing no contributions from the general fund to the airport this year. He said he and Sean have been working together to utilize the money from the litigation. There are some capital projects planned for the airport and one-time expenditures planned.

Sean also noted that the airport could possibly increase the number of based aircraft if we had more hangars. We need T hangars and box hangars that people don't need to share. He said he was researching grants with regard to any grants available for this.

Tourism Tax: Heidi said they would be bringing policy changes at the next meeting of June 19th.

Water: We will be using some of our cash to extend water lines, \$30,000 for profession services, and putting in specific water line replacement. There is \$50,000 for a mini excavator that will be shared with parks and sewer and a contingency of \$30,000 in case of emergencies.

Manager Jarvis explained that the mechanic at public works is putting together a vehicle replace plan and expects to have the backhoes on it, in answer to question of public works having three backhoes. He also noted that this would include the police department vehicles not being used, along with a couple of deuce and a half. He also noted that the waterlines at Coronado Acres will be going into the CIP.

Heidi explained that the jump in legal fees for the attorneys are due to the Zuni Water Adjudication which is the lawsuit for the underground water rights.

Manager Jarvis explained that if we drop out we will lose out on any of these water rights. This is an item we should bring up with Congressman O'Halleran.

He also reported he reviewed the latest water and wastewater study by Dan Jackson, with Economist.com last year. In reviewing the plans, he feels that before moving forward to consider rate adjustments. The previous plan only considered \$50,000 in capital improvements and the Town would have to take out a WIFA loan in ten years for another million dollars. We need to come up with another method to obtain the appropriate amount of funds to maintain and improve our existing system. Our fees are much greater than our neighboring communities but feels that their general fund is probably subsidizing their water fund. We need to analyze what's we're charging as well as fees we're not charging for.

He then talked about the Town not having any franchise fees. He said this is currently being researched. We will reach out to these companies to discuss this with them.

Wastewater fund: This fund is almost finished paying the water fund for the debt it owns. Heidi advised the council that any money left over in this fund is used to pay off the debt to the water.

Grants: Pages, 28, 29, 30. No changes. This is CDBG, and the park grant and the Public Safety grant through the Gila Indian Community. The airport runway 3/21 will be removed from this year's budget.

Community Services: Manager Jarvis stated that there will not be any contributions from the general fund to community services this year. Heidi explained that Sharon would be using some of her reserves this year to do some electrical work, purchase an oven and replace commercial flooring. All else is basic operations.

Director Sharon Pinckard reported that she doesn't see the Town having to subsidize the community services much in the future.

Mr. Jarvis said he talked with an interested party regarding the old Northland Pioneer College property. He asked this party with a meeting of both himself and Eagar Manager Terry Hinton. The interest in the property would benefit both communities.

The next meeting was scheduled for June 12th at 5:30 p.m. with adoption of the tentative budget on June 19th.

Robert MacKenzie/Shelly Reidhead motion to adjourn the meeting at 6:44 p.m.

Phil Hanson, Jr. Mayor

ATTEST:

Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a special budget work session on Wednesday, May 29, 2019. I further certify that the meeting was duly called and a quorum was present.

Dated this 10th day of June, 2019

Town Clerk