

**MINUTES
TOWN OF QUARTZSITE
REGULAR MEETING OF THE COMMON COUNCIL
TUESDAY, JUNE 10, 2014, 7:00 PM**

CALL TO ORDER: 7:00 p.m.

INVOCATION: None

PLEDGE OF ALLEGIANCE: Led by Council Member Orgeron

ROLL CALL: Mayor Foster, present; Vice Mayor Jewitt, present; Council Member Kelley, present; Council Member Crooks, present; Council Member Orgeron, present; Council Member Scott, present; Council Member Timberlake, present

ABSENT: None

STAFF PRESENT: Skylor Miller, Town Manager; Patricia Ronan, Town Attorney; Amy Daniel, Deputy Town Clerk

APPROVAL/AMENDMENT OF AGENDA: Motion to approve the agenda made by Vice Mayor Jewitt and seconded by Council Member Kelley. All in favor. Motion carried.

CONSENT AGENDA: Motion to approve the consent agenda amended to withhold check 37474 made by Vice Mayor Jewitt and seconded by Council Member Timberlake. All in favor. Motion carried.

1a. LEDGER OF ACCOUNTS PAID – Consider approval of check series 37424 - 37478, totaling \$155,477.12.

1b. MINUTES – Consider approval of the minutes of the Regular Meeting of May 27, 2014, Work Session of May 29, 2014, and Work Session of June 3, 2014.

Check 37474. Council Member Scott requested information regarding check number 37474. Check 37474 to U S Bank is for administrative fees and expenses having to do with the 2004 bond series. Council Member Scott moved to approve check 37474 and Vice Mayor Jewitt seconded the motion. All in favor. Motion carried.

ADMINISTRATIVE ITEMS:

2. WATER RATES – Discussion and possible adoption of a Notice of Intent to Increase Water Rates and to establish a date for a public hearing.

Town Manager Miller discussed the solution to back bill of HURF funds for their water usage to help with relief of the water rates. Water use documentation only allowed going back 5 years, which will allow for \$240,000 of back billing. The proposed rate plan shows \$160,000 charge to HURF for FY 2014-2015 then an \$80,000 charge for FY

2015-2016. This allows for a graduated step to allow for a less dramatic increase to consumers.

Mayor Foster had a question regarding borrowing of HURF funds for expenses. He indicated he would like to look at every line item of the budget before agreeing to the rate changes in the Utilities department.

Town Manager Miller responded that he seeks to be fiscally responsible and has taken steps to address council member's budget related questions.

Council Member Timberlake made a motion to table discussion of water rates until after the budget discussion. Vice Mayor Jewitt seconded. Six members Council voted with all in favor. Council Member Orgeron voted nay.

3. WIFA LOAN REFINANCE – Preliminary discussion of refinancing option for existing Water Infrastructure Finance Authority Loan.

Town Manager Miller advised the Council that there may be an opportunity to refinance 2004 series bonds associated with the WIFA loan. Currently those bonds have an interest rate of 6.25%. The option would reduce the interest rate to 3.49% which would allow for an annual savings of \$10,600 and a onetime debt service release of \$152,000 for the first year. Over the bond period, savings will be approximately \$203,000. Mr. Miller advised that he would like to make a formal presentation at the next regular council meeting to answer any questions and concerns.

Mayor Foster would like to know if there are any additional conditions that are not currently in the loan.

Town Attorney Ronan discussed that the terms of the agreement have not been drafted yet but the goal is there would be no additional terms.

Council Member Scott would like to know if the loan terms would be extended.

Town Manager Miller responded that Mark Reader will make a presentation at the next council meeting to discuss the terms in greater detail. Council directed staff to move forward in getting the agreement drafted and to make a presentation at the next meeting.

4. 2014 – 2015 BUDGET WORK SHOP FOLLOW-UP Discussion of items from Work Session held June 3, 2014, to include: Magistrate Court filings; total cost of mandatory training for Court Clerks, review of contracts/fees with prosecutor and defense attorneys; salary and wage distribution; step system wage increases; Workers Compensation increases; Bad Debt; and telephone services and contracts.

Town Manager Miller discussed the follow up items from the Budget Work Session in further detail.

Judge Lilly presented information about the Magistrate Court's yearly filings, as provided by the Arizona Supreme Court. Judge Lilly provided a 5 year analysis of Quartzsite and Parker Magistrate Court filings.

Council Member Scott inquired about the definition of filings and requested an explanation of what the monthly report covers. She was glad to see the comparison of Parker and Quartzsite.

Judge Lilly explained data shows a drop in Quartzsite filings and advised that it may be due to being short staffed at the police department. Supreme Court data shows Quartzsite handles more cases than Parker. Judge Lilly also explained that court revenues would increase because she incorporated a new fee schedule that was approved by Council in 2011 but not previously implemented. Judge Lilly also discussed details on mandatory training for Lori Callan which is a yearlong training for \$3,700.

Town Manager Miller discussed Prosecutor and Public Defenders fees and contracts. The Town is currently operating without contracts with these attorneys. The Town Prosecutor is compensated at a fixed rate of \$3200 per month. The Public Defender is \$75 per hour. The Conflict Attorney on special cases is \$150 per hour, but she is efficient in her billing, relying on teleconferencing and using a tenth of an hour billing rate. The Town may look at doing a request for proposals for Town Prosecutor and Public Defenders.

Town Manager Miller discussed reports on salary, wage distribution, and step system. The information about Town employees' salaries was provided to the Council. Town Manager Miller stated that he would like to conduct a salary study in the future and to simplify the step system for wages.

Town Manager Miller discussed Workers Compensation increases. The increases result from a clerk doing part-time work with the Public Works department, which required a higher classification. Additionally, the rates have increased.

Town Manager Miller discussed Bad Debt figures. These figures show customer bad debt in water and waste water department after subjecting the delinquent parties to collections. When collections were unsuccessful, the debt is shown as a loss.

Vice Mayor Jewitt asked about the Town's current policy, including shutting off of water and sewer services when a customer is delinquent.

Town Manager Miller explained that the current policy provided for shutting off the water after providing appropriate legal notice. Additionally, the Town had the option of capping the sewer. The Town tries to work with the customer to get amount paid. Mr. Miller explained that the budget is based on a worst case scenario. Mr. Miller also explained that the Town turns over delinquencies to a collection agency, which is also part of the expense.

Town Manager Miller discussed the Verizon contract details. Currently the plan has 16 phones and is charged around \$800 per month.

Vice Mayor Jewitt thinks that is a good rate.

Mayor Foster wants to know who has a cell phone and why so many staff need them.

Town Manager Miller explained that many employees are off-site, and cell phones are necessary to communicate efficiently and ensure prompt service to the community.

Council Member Scott wants to look into the phone services and contracts for TDS.

5. TENTATIVE BUDGET – Review and consider adoption of the Tentative Budget for Fiscal Year 2014-2015 and proposed Expenditure Limitation for the same year.

Town Manager Miller discussed all the budget presentations and the goal of ensuring that all questions are addressed. Mr. Miller described the changes that have been made since the last work session and the timeline for adopting the budget. The Town will hold a public hearing to adopt the final budget. The Town will benefit from cost savings in Community Development because Mr. Miller has committed to acting as director of that department for six months. Some of the savings in the Community Development Director salary have been reallocated to other areas, such as the mapping software that was previously discussed.

Town Manager Miller proposed a compromise on the expenditure and allocation of CADRE settlement funds. He proposed the funds be split equally among the police department and the general fund to reimburse general fund expenditures on the litigation. The net impact of those changes show a reduction in the projected general fund deficit from approximately \$47,000 to \$6,031. Mr. Miller explained that the Town is working with a reduced expenditure limitation figure from last year.

Mayor Foster asked whether the division in the CADRE settlement funds was after a full reimbursement of all the monies spent on the legal fees associated with the litigation.

Town Manager Miller clarified that the proposed division was of the total settlement amount of \$97,500. The Police Department would receive \$48,750 to purchase a single new vehicle and outfit a currently owned truck.

Council Member Timberlake observed that it appeared that there would be around \$12,000 that was spent on litigation and not reimbursed to the general fund. Mr. Miller reminded the Council that the Town did not exceed its legal budget for FY 2012-2013.

Council Member Scott asked if the Council was required to adopt the budget by law.

Town Attorney Ronan clarified that the issue before Council was merely whether to adopt the budget. The Town is not bound by a tentative budget. Staff will endeavor to address all questions and Council's revisions will be part of the final budget. Council

should look at the bottom line of the tentative budget, because it establishes the maximum for expenditures. Council could continue to find ways to economize.

Town Manager Miller added that likewise the water rate notice is a maximum. Those have already been sent to customers which was a worst case scenario. Maximum limits must be set in order to be compliant with state laws, and the Town's goal is to make the water department self-sustainable.

Mayor Foster wants to know if staff is looking at labor, staff, salaries, cost of energy, shopping to get best prices on chemicals and supplies for this department.

Town Manager Miller stated salaries and labor have previously been discussed in budget discussions and invited any member of council to come in and discuss any concerns one on one.

Vice Mayor Jewitt made a motion to approve tentative budget as presented and Council Member Kelley seconded. Roll call vote: Mayor Foster: nay, Vice Mayor Jewitt: aye, Council Member Kelley: aye, Council Member Crooks: aye, Council Member Orgeron: aye, Council Member Scott: aye, Council Member Timberlake: aye. Motion carries.

Return to Agenda Item #2: Water Rates – Discussion and possible adoption of a Notice of Intent to Increase Water Rates and to establish a date for a public hearing.

Town Manager Miller ensured that the Staff is working with the same numbers used in the tentative budget. Those numbers have a direct impact on budget.

Council Member Scott does not like the fact that we wait until the summer to do major changes within the Town.

Council Member Kelley states this is a notice of intent. She wants to ensure that the Town takes necessary baby steps to ensure that the need for increases is consistently addressed and not put off, as was done in the past.

Council Member Scott would like to see the information for the public hearing go out to customers in their bill so all residents are fully aware of what is happening while they are away.

Vice Mayor Jewitt wants to ensure we do not follow the footsteps of previous council and prefers to look at doing incremental changes opposed to a huge change all at once.

Mayor Foster believes we are making a decision based on fictitious numbers and would like to see all the numbers for the operation of the utilities department before approving a notice.

Council Member Timberlake made a motion to approve the notice of intent and was seconded by Council Member Kelley. Roll call vote: Mayor Foster: nay, Vice Mayor Jewitt: aye, Council Member Kelley: aye, Council Member Crooks: aye, Council

Member Orgeron: aye, Council Member Scott: aye, Council Member Timberlake: aye.
Motion carries.

6. VOLUNTEER BOARDS – Preliminary review, discussion and possible direction regarding existing Boards, Committees, Commissions and their status.

Council Member Kelley made a motion to open for public discussion, seconded by Council Member Timberlake. The motion carried.

Town Manager Miller is performing a preliminary evaluation of the Town's volunteer boards and showed a list of the current boards and the current status of each boards' membership.

Council Member Kelley stated that she has spoken to previous members of boards who would like to see the boards reinstated especially the Health and Development Board.

Audrey Berger spoke about the Health and Development Board and how it listened to organizations in Town and presented the board with requests of help. Senior Center lost \$7,000 due to this board not being in place. Council should look at reinstating boards.

Kay Mooring spoke on Health and Development board which assists council by providing information and recommendations. She also stated she is interested in the Town Museum. Boards receive written requests from organizations that need funds from the Town. This Board helps Council to know what is going on within the Town.

Sally Ford spoke on Health and Development board. She is looking to improve and expand boards. She believes that the boards had no power and could not make recommendations to Council. She observed that the Town used to have a waiting list of volunteers but because Council and previous management did not back the boards, there are no volunteers for these boards.

Jennifer Jones states administration has failed the boards and is looking for administration to have less power and the boards to have more power. She suggested that the boards should be replaced with community volunteer groups, because there was no obligation to post agendas or keep minutes. Look to get more volunteers and help stimulate volunteers. She also stated she was on a board and was removed from board which would not allow for a quorum of that board.

Marilyn McFate spoke on Board of Adjustment which did everything by the law. This board worked well until Mr. Field came in and wrote variances. Communication of the boards is key. Looks at approving items based on state law.

Norm Simpson spoke on Planning and Zoning and has had a problem with attendance on board and Council's treatment of Board members.

Council Member Kelley wants to get more volunteers and keep boards intact. She would like to see boards come in and provide reports to Council at meetings. Council

needs to listen to the board members and not micromanage the boards. Mayor Foster stated he would like to see the reports and Council agenda expanded to include reports from each of the boards.

Council Member Crooks states that the boards are subject to open meeting laws of the state. Need board members to know there are statutory regulations that must be followed.

Mayor Foster would like a community committee formed. This would not be subject to open meeting laws. Council Member Timberlake would like open meeting law training for the board members as boards are reestablished. Town Attorney Ronan clarified that all formal boards that are established to report to the Council are subject to open meeting laws.

Sally Ford states she would like to see organized boards based on the Town's past experiences.

Council Member Scott wants to see Town staff, council members, and legal staff assist boards as they are working for the Town for free. Town Manager Miller is looking to help provide additional training and update the codes behind the boards. Mr. Miller requested direction from Council for seeking candidates for the boards that are lacking in participation. Staff will work on a list of vacancies for each board posted to the public and on the website.

Council Member Crooks wants to explore adding a new board focused on economic development from a local stand point.

Town Attorney Ronan suggested a training session in the fall for a refresher for current board members and for new board members of open meeting laws.

Council Member Scott would like to see job descriptions for the boards as well as notifications to the boards of the plans and what was discussed tonight. Council Member Timberlake stated Health and Development board to focus on town promotion.

7. 4TH OF JULY 2014 – Preliminary discussion of Independence Day Celebration of Fireworks display and Community Festival.

Council Member Timberlake made a motion to open this topic to public discussion and was seconded by Council Member Kelley.

Town Manager Miller is looking to give back to the community. Who are the staff and town stakeholders for this holiday? Town budgets \$4,000 for fireworks, fire department performs the lighting. In the past the Town has also done some grilling and children's activities. Mr. Miller would like to look at building this up by purchasing corn hole sets, re-greening a section of the field, planning a tug of war game, and building a misting / cooling station. One member of the community is donating a tent for the misting system.

Council Member Kelley states Rotary, Fire Department, Operation Hero Comfort, Food Bank, and the Recreation Department are all involved.

Violet Kiss stated the Lutheran Church wants to help, Yesenia at the Community Center is making T-shirts, Rotary and Interact will be helping. Violet has made calls to all local charitable organizations. Would like to build or rent dunk tanks. Ms. Kiss asked Mayor Foster and Town Manager Miller to volunteer to be in the dunk tank and both agreed.

Carol Stensin wants the Town to send out notices to Brenda and Bouse and wants to know what time activities begin?

COMMUNICATIONS:

Announcements and Reports from the MAYOR on current events. None

Announcements and Reports from the COUNCIL on current events.

Council Member Timberlake was at the community center and reports the summer program is doing well with a big number of children attending. Food Bank made donations to the kids.

Council Member Kelley stated the Food Bank received a large donation from Yuma, the Auction Tent. They will be donating hot dogs to the community center kid's summer program and are looking for someone to donate hot dog buns.

Reports from the TOWN MANAGER to the Council.

Vandalism to generator at the sewer plant. Town had to do an emergency rental but are looking to repair the generator.

Police Department will be holding a community update and awareness meeting on June 12th from 5-6 p.m. at Town Hall regarding the recent missing persons case of Eric Stapleton. Flyers have been posted in and around town.

Town Attorneys have completed final draft of Chapter 3 Code Amendments for next meeting.

Have received 2 resumes for police chief position. One more is pending. Once the third is received, Mr. Miller would like to plan and schedule the interview process.

Solar projects being evaluated. The Town is looking at alternatives for potential future projects. Look for more info and a report at next meeting.

Senior Center emergency shelter with maintenance to generator is getting finalized.

COMMUNICATIONS FROM CITIZENS

Audrey Berger stated that due to a lack of participation the Senior Center will be open from 10-2 starting June 16 through July and August with regular hours resuming in September.

Jeff Gilbert commented on budget in regards to the police department. Requests Council to rethink the use of non-service vehicles as this is not safe practice and puts the lives of the officers at risk and possibly exposes the Town to a liability.

ADJOURNMENT: Motion to adjourn by Vice Mayor Jewitt and seconded by Council Member Kelley at 9:09 p.m.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of June 10, 2014, of the Town Council of Quartzsite, Arizona, held on June 10, 2014.

I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 24th day of June 2014.



Amy Daniel, Deputy Town Clerk

On behalf of the Common Council

Approved:



Ed Foster, Mayor