

MINUTES
TOWN OF QUARTZSITE
SPECIAL MEETING OF THE COMMON COUNCIL
FRIDAY, AUGUST 14, 2015, 10:00 AM

CALL TO ORDER: 10:03 a.m.

INVOCATION: None.

PLEDGE OF ALLEGIANCE: Led by Council Member Warner.

ROLL CALL:

Present: Mayor Foster, Vice Mayor Simpson, Council Member Kelley, Council Member Warner, Council Member Davidson, Council Member Orgeron appeared telephonically, and Council Member St. Germain appeared telephonically.

STAFF PRESENT: Skylor Miller, Town Manager; Tina Abriani, Town Clerk; and Susan Goodwin, Town Attorney, appeared telephonically

PUBLIC HEARING:

- 1. FINAL BUDGET FY 2015-2016 - Conduct Public Hearing regarding the Town of Quartzsite Final Budget for Fiscal Year 2015-2016.**

The Mayor opened the Public Hearing so that members of the audience could speak regarding the budget before the Council would consider adopting it.

Starr BearCat stated she thought the budget should address the animal control situation in Quartzsite.

Jennifer Jones referenced an article in her previous newspaper regarding the Town's hidden money, CDs, or other investments. She spoke of the bridge the gap loan for water infrastructure, a loan due in full, cash on hand, HURF and some ideas to save the Town money.

The Mayor closed the Public Hearing at 10:12 a.m.

ADMINISTRATIVE ITEMS:

- 2. ADOPT FINAL BUDGET FOR FY 2015-2016 – Discussion and review of resolution to adopt the Final Budget for Fiscal Year 2015-2016.**

The Mayor asked if there were any changes in the budget from the last budget meeting.

Town Manager Miller replied that the budget on the agenda was the same as the Tentative Budget approved by the Council on June 30, 2015.

Council Member Davidson said he agreed with what Jennifer Jones had to say. He explained he believed the number of employees was not reduced enough. He suggested eliminating temporary staff and cutting the number of part-time employees from six to three. He said he would like to see the number of full-time employees cut from forty to thirty-eight because it would save a significant amount of money.

Vice Mayor Simpson asked if HURF funds were being used to supplement the General Fund.

Town Manager Miller said the answer was yes, on a daily basis. He explained that because of the Town's current situation, what was in the bank account, was effectively HURF dollars and had been for quite some time. He went on to say the Town has a healthy cash flow, as had been discussed by the state auditor. He said the Town has the revenue stream to operate at the proposed FY 15-16 Final Budget levels.

Town Manager Miller said he and the Council had been making a concerted effort to incrementally pay back the Town's HURF debt by striving to cut \$250,000 from the budget. He said he was not in favor of arbitrarily cutting staff. He said some creativity was used to reduce General Fund expenditures and utilize HURF in a legal manner. He explained he and his staff had worked with the state auditor, the Town's accounting services and the Town attorneys regarding the use of HURF funds who agreed it was an acceptable practice. He said the allocations between HURF and General Fund sources was not a new thing, it was just being expanded. He noted it had been a common practice here and across the state for decades, since the inception of the Town. Town Manager Miller said he believed the Town was being operated in a responsible manner, and he thought the Town had found an innovative way to streamline General Fund expenditures while maintaining current service levels.

Vice Mayor Simpson said he would like to see more cuts; he said the Town has not done enough.

There was a discussion between Town Manager Miller and the Council regarding the history of the Town's debt to HURF.

Town Manager Miller said all unexpended dollars from unrestricted accounts in the general fund would go back to HURF at the end of the fiscal year.

Vice Mayor Simpson said the Town does not have the funding to give all the perks to the citizens, short of a real property tax revenue General Fund stream. He said the Town needed to bring in new and larger businesses that could help fund their own infrastructure and help the Town with its revenue stream.

Council Member Orgeron said the Council needed to approve the budget as it was proposed and review it at the end of the winter season to make cuts.

The Mayor called for a roll call vote to adopt the Final Budget for Fiscal Year 2015-2016.

Roll Call Vote: Motion Failed (summary: Yes = 3, No = 4, Abstain = 0).

Yes: Council Member Kelley, Council Member Orgeron, Council Member St. Germain.

No: Mayor Foster, Vice Mayor Simpson, Council Member Warner, Council Member Davidson.

Mayor Foster voted no and explained the reason. He said each of the Council Members had asked for various cuts and Mr. Miller said he was not happy with cutting staff. He said every business in Town had cut back the number of employees and their hours, as well as days and months of operations. He went on to say the Town was slowly drying up as well as its revenue stream, sales tax. Mayor Foster said the amount of sales tax collected for the state has risen while the amount collected for the Town has been reduced due to the new fee charged by the state to collect the sales tax.

The Mayor said the Town still operates as it had five or six years ago, even though there have been cuts to the General Fund. He said the Town had not responded like the people in the community had, by reducing staff. He said he would like to see what is owed to HURF on a monthly basis. He suggested the Town create an employee plan that allows the staff to be with the Town during the season, November through April and then be cut as people leave the Town. He said the Town needed to start substantially repaying the HURF fund because the state could take away the funds until they were paid back.

Mayor Foster wondered aloud if the community would support a property tax to pay for the services the community wants because the Town cannot keep using HURF money to pay for the services. He said services such as the Police Department, Park services and animal control cost money.

Vice Mayor Simpson voted no. He said the Town is not behaving in a fiscally responsible manner. He said there need to be cuts to have the Town live within its means.

Council Member Kelly voted yes. She said she thought the Town needed to get through the season and then start working and thinking about cuts between now and then. She said the Town needed to readdress its vendor license, business license and look at personnel.

Council Member Warner voted no. She said she thought the Town needed to check to see if there was something else it could do to lower the budget and get more money into the General Fund and stay out of the HURF. She explained that if the Town is spending money out of HURF every single day, then that was not the way the Town's government should be run.

Council Member Orgeron voted yes. He said the Town has a balanced budget and what he heard were noes from those who talked of cutting spending and wanted to give the Town's money to the La Paz Economic Development.

Council Member Davidson voted no and stated it was because of the same reasons stated by Mayor Foster, the Vice Mayor and Council Member Warner.

Council Member St. Germain voted yes and apologized to the Town of Quartzsite, and the public that was sitting in the audience. He reminded the Council that they had all voted on the Tentative Budget, and are now coming up with issues. He said he thought it was an embarrassment because the Council should have hashed it all out before approving the Tentative Budget. He said the bottom line was that as a Council, they were not doing their job when they agree to something and then change their minds. He said the Council needs to sit down as soon as possible with budget meetings and get everything hashed out. He said the people of Quartzsite should not be made to suffer because of an inadequate Council.

The Mayor stated the budget as presented was defeated.

Mayor Foster directed staff to prepare and schedule further meetings to discuss the issue, with the understanding that without a budget, the previous budget is still in effect and the Town must operate under that budget.

Town Manager Miller asked if a work session should be scheduled for the next regular meeting and the Council approved.

Council Member Davidson suggested that the Council give the Town Manager direction to investigate significant cuts in personnel.

Council Member Orgeron said he thought personnel should be discussed during the work session.

Vice Mayor Simpson moved to adjourn and Council Member Davidson seconded the motion. The vote was unanimous and the meeting was adjourned at 10:38 a.m.

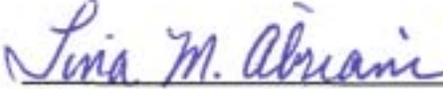
ADJOURNMENT: 10:38 a.m.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of August 14, 2015, of the Town Council of Quartzsite, Arizona, held on August 14, 2015.

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

DATED this 25th day of August 2015


Tina M. Abriani, Town Clerk

On behalf of the Common Council

Approved:


Ed Foster, Mayor