

CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES
WORK SESSION

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May 19, 2011
COUNCIL ACTION

I. PROCEDURES:

- A. Call to Order Mayor Moore called the meeting to order at 5:00 p.m.
- B. Roll Call Mayor John Moore and Councilmen Don Dent (Vice-Mayor), Bernie Hiemenz (late), Bill Miller, Lee Payne, and James Wurgler were present and constituted a quorum. Councilman Frank McNelly was absent.
- Present from City Staff were Interim City Manager/Finance Director Joe Duffy, Public Works Director Glenn Cornwell, Police Chief Herman Nixon, Water Department Supervisors Bill Pruett and James Grantham, Wastewater Operator Kathy Fuller, and City Clerk/Human Resources Director Susan Kerley.
- From the Chamber of Commerce, Kent Jones, Judy Lollich, Jim Winbourn, Carol Glassburn, Goia Goodrum, and Jan Shirley were present.
- From Main Street Association, David Haines and Kim Kadlitz were present.
- C. Adoption of Agenda Councilman Miller moved to adopt the agenda. Councilman Lee Payne seconded, and the motion carried 4-0.

II. WORK SESSION ITEMS

- A. Fiscal Year 2011/2012 Budget Review
- Joe Duffy offered information on each of the following areas:*
- Police Department:**
- We budgeted \$1.5 million, but it will be around \$1.4 million.*
- Capital items include:*
- *computer software*
 - *paying off final lease-purchase agreements on vehicles*
 - *additional computers – just in case of failure*
- Chief Nixon explained that the Humane Society in Flagstaff billed the City for \$16,000 for taking 26 animals last year, coming to about \$600 per dog. Yavapai County, Yuma and others contract with cities for dogs at \$75 each. They are trying to get a back-up solution to take dogs to Yavapai. The Department is asking for a breakdown of costs from the Humane Society, but the organization has not been particularly cooperative. They would like to work with Robyn Eckels to get a facility in town.
- We have no written contract with the Humane Society in Flagstaff.*
- We did agree to use a piece of City land for such a facility.*
- Mayor Moore suggested offering a match of \$10,000 to Robyn's group when they have \$10,000 for the facility.
- We would like to add a new entry on the east side of the police station along with a public restroom this year. The current entry on the north*

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side of the building is unsafe. The current lobby might be used for office space. The current front door would become an emergency exit.

Water Department:

The Water Superintendent's position was vacated this year. Bill Pruett and James Grantham are co-supervising the Department. One Maintenance Worker I position has been left unfilled, and we have budgeted to fill it later into the summer. Salaries are split 50/50 between the Water Department and the Wastewater Department. The benefits are kept in the Water Department's budget. The Department ran over in supplies and services, because the prices of chemicals have been high along with electricity for the wells which has been adjusted. They are doing everything possible not to spend money, but it has been a necessity to hire a professional to help catch up on all reports.

Bill Pruett and James Grantham reported on their capital needs:

- They need a valve for the Water Plant to help control the flow. The current valve has lots of fluctuation and can be viewed as a safety issue.
- The entry to the Water Plant should be paved because they're experiencing problems with delivery trucks sliding off this road into the bar ditch. Often the trucks are carrying chemicals.

We may do overlay this summer and tie paving of the entry into that. Included in the budget is \$14,000 for a new water sales card system. Money to pull pumps and check their condition will be taken out of Impact Fees. A company from Oklahoma will pick up the pumps on Monday and will call with their estimate to recondition them on Friday.

Wastewater Department:

This Department is quite a bit over budget this year: Electricity, repairs and maintenance, and small tool purchases have been high. \$70,000 a year is spent to get rid of the sludge. We have bought two roll-offs so we can haul it ourselves. Tipping fees should be less than \$200 per load.

Bill Pruett reviewed capital items:

- Lab equipment – we are short on some items.
- Lift truck with a boom to split between the Shop and Water Departments.
- Cover for effluent sampling to remove employees and samples from the elements. Something like a small, metal building would work.
- Gas chlorine system.

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Kathy Fuller pointed out that some of this year's expenses have been necessary to come into compliance with State permits. The Health Department dictates what testing equipment we must have when they do their annual inspections.

Tourism Promotion:

Judy Lollich, Treasurer for the Williams-Grand Canyon Chamber of Commerce reviewed their budget:

- It encompassed \$10,000 for the Cavalry Band that they have redirected to Tourism.
- They are researching better ways to spend marketing funds.
- They have included the part of the City/Chamber Agreement in which the Chamber oversees the Main Street Association so they have included the \$20,000 Main Street budget.
- The \$20,000 will be spent in tourism marketing – details to be provided by MSA.
- FAM Tours have increased.
- In order to push funds into tourism marketing, they have been extremely cautious and conservative with their Overhead Budget.
- Salary increase is based on the President/CEO's contract.
- They plan to send the CEO for tourism/marketing training.
- She believes they have done a good job this year in preparing a conservative budget with a focus on marketing and tourism.

Goia Goodrum, President/CEO, offered these comments:

- The display boards they brought and set up showed a representative sampling of last year's ads.
- A new tourism website is available:
www.experiencewilliams.com
- They want to market to international markets.
- They continue working with Grand Circle.
- They are looking at a regional partnership with the Grand Canyon Chamber and Flagstaff Visitors' Center, along with Cliff Castle Casino, Cottonwood, Camp Verde, and Page.
- They are budgeting so that she may attend more conferences on tourism.
- They will remain politically active.
- They will continue to support the Main Street Association and its activities.
- They will focus on staff training, social media, and creating package deals.

Chamber of Commerce:

Kent Jones, Chairperson, reviewed Economic Development:

- The key element is the five-year strategic plan, developed by Williams Focused Future II.
- Carol Glassburn is working on the Recreation Development piece of the Plan along with Marty Schramm of the Kaibab National Forest Service. The Forest Service hopes to create bike paths at Bill Williams' Mountain. Susan Kerley is working on a community calendar and a Cultural & Heritage committee.
- Advancing business development through the construction of Morse Blvd. (Rodeo Road); working closely with NACOG
- NACOG Tourism Round Up met here last April, thanks to the Mayor's efforts.

Judy Lollich noted that Main Street is not included in the \$298,000 but has its own line item on the first page. They took the gunfight funds and rolled them into the one-figure amount. They will be \$60,000 short next fiscal year.

The BBB (Bed, Board, and Booze) Fund has increased over the last two years from \$644,000 to \$687,000.

Mayor Moore suggested that he would like to watch their budget over the next year and believes that an increase may be in order next year.

Carol Glassburn will make an effort with the Forest Service to market their activities.

Main Street:

Mayor Moore recommended not funding the Main Street Association.

Judy Lollich said that the Chamber has a contract with the City that identifies Main Street Association as a responsibility of the Chamber. So, they will need to have a new Agreement to relieve them of that responsibility. However Council wishes to handle this matter is fine with the Chamber. Right now, the Chamber passes on any profits from Main Street events to the Main Street bank account; however, the Chamber absorbs any losses from the Main Street events.

Mayor Moore pointed out that for the annual amount funded to Main Street Association, he believes the City has not been getting any bang for the buck. He asked several questions of David Haines and Kim Kadlitz, who represented Main Street Association, including whether or not they agreed that this group has not done much for the last seven to eight years.

David Haines said he would agree, except for the last two years in which they have spent a great deal of time on creating and reviewing

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the proposed Main Street Ordinance. Also, he pushed for the annual barbeque as a fund raiser to get additional funds for MSA. They're proposing to do a mini-grant process for small amounts for businesses. Kim Kadlitz added that MSA in conjunction with the Historic Preservation Commission redid the Historic Walking Tour brochure. They got seven new brass plaques for historic buildings. They provided a one-half day seminar for a charge of \$10 for local businesses on social media.

Councilman Miller asked what benefit would there be for MSA to be a separate entity from the Chamber of Commerce.

Kim Kadlitz replied that as a (c) 3, they can do different things from the Chamber as a (c) 6. He believes the Chamber's primary focus is to build tourism for its members, while Main Street's function includes improving the physical appearance of the town.

Councilman Miller asked if MSA could be effective as an organization without being supported by the Chamber with its staff and support services.

Kim Kadlitz replied that, if the current MSA were dissolved and reorganized, it could work under the Chamber.

Councilman Dent reviewed some of MSA's positive points over the years:

- Renderings of downtown buildings' facades were done by George Ottwell of Prescott.
- MSA can get grants not available to the Chamber.
- It is important for us to be part of National Main Street.

Councilman Miller expressed that he would like MSA and the Chamber to figure out ways of working together.

Believes separating the entities might be healthy.

Councilman Dent explained that MSA was put together with the Chamber to start with because of staff and support. They can't afford staff people for both separate organizations. He believes there is a difference in what they should be doing and what they are doing.

Mayor Moore suggested that the two organizations continue on as they are for now and leave the \$20,000 for MSA in the Chamber's budget..

Grants Fund:

This page is not accurate. Joe Duffy will bring it up to date and email it to Council members.

Recreation Facilities:

This is the other half of the BBB funds. \$15,000 has been included for an electrical panel at Cureton Park, money for ball field improvements, and a transfer of \$100,000 to Golf Course acquisition,

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\$30,000 to pave the parking lot around the Visitors' Center. There will be a transfer of \$25,000 for tower rental for one more year.

Flood Control:

Some work around Smokey's, 8th and 9th Street is planned. \$95,000 a year is received from the County. \$225,000 will be in the fund at the end of the fiscal year, and it must be used for drainage. The pile of money is building up and is being used for cash flow right now.

Capital Projects Fund:

The balance of GADA funds of \$523,000 gives us cash solvency, but it has to be used for road work.

Electric System:

Everything is the same as this year with no major capital expenditures. We're probably not going to spend a lot other than for repairs. Calculated expense of moving the electrical operation elsewhere. The City could lease the valuable downtown space and, perhaps, accomplish some economies.

Councilman Dent agreed that they don't need to be in a prime location; however, they have to keep a crew here. If we move them from the current building and lost jobs, it would not be worth it.

Plans to push for an electric rate increase.

Buy-In Fee Fund:

Of the \$689,000 balance, \$600,000 is a credit for the Grand Canyon Railway that can be left there until it is used by GCR.

From this fund, we would like to pay three debt service payments for one year only; pay for the lease-purchase of SCBA units for the Fire Department; purchase \$50,000 of materials for the Street Department this year and next year; cover the pool repairs; and finish up the surface at the Rec Center.

We would like to purchase chairs for Council Chambers, pay for the Police Department remodel and the lift station repairs. Note that the Northside Sewer District is just about paid off. When the owners make their final payments, approximately \$140,000 will be in the account, including interest and penalties. He would like to use up these funds for the right purpose. He proposed that in the current "in fill zone," builders of residential properties pay only one-half of the impact fees.

Personnel Summary:

Nothing has been added to the budget for cost-of-living increases. If we did a 1% increase, it would run around \$31,000 while a \$.50/hour increase would be \$78,000. This would be a little over 2% which would help offset the upcoming 1.5% increase to employees from Arizona State Retirement System (ASRS). Employees are coming up with ideas on how to do more with less and are cooperating with other

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departments. A \$.50 increase seems appropriate.

Debt Service Fund:

The WIFA bonds will be paid off in five years. The last big payment on the NDA bond will be made this year. We would like to use \$540,000 in reserves to pay off.

Property Tax:

We recommend keeping the tax levy the same. The total amount collected, approximately \$533,000, will stay the same.

III. ADJOURN:

The meeting was adjourned at 7:39 p.m. after a motion by Councilman Wurgler and a second by Councilman Dent. The motion carried 5-0.

Mayor John Moore

ATTEST

City Clerk