



MINUTES OF SPECIAL WORK SESSION OF THE COMMON COUNCIL OF YOUNGTOWN, AZ

MONDAY, May 10, 2010, TOWN CLUBHOUSE, 12033 CLUBHOUSE SQUARE

1. Call to Order Mayor LeVault called the meeting to order at 6:07 p.m.
2. Roll Call Council present: Mayor Michael LeVault, Vice Mayor Jacob Duran, Councilmembers Margaret Chittenden, Dorena Mello, Shirley Oglesby, Susan MacKay and Judy Johnson. Staff present: Town Manager Lloyce Robinson, Chief of Police Terry McDonald, Public Works Manager Mark Hannah, Finance Officer Jackie Hoffman, Court Clerk Diana Kutchner, Library Manager Nancy Lewis, Administrative Assistant Cecilia Casillas, and Town Clerk/Treasurer Letty Goldberg.
3. Pledge and Invocation Pledge was led by Councilmember Oglesby. Invocation was offered by Vice Mayor Duran.
4. Business
 - A. Discussion Re: Town core services and possible realignment of Town's financial structure in order to sustain future services with expected shortfall of \$332,000 for FY 2010-11 Budget. Areas to be discussed include moving (consolidating) court, reducing water consumption in the parks, future of Maricopa Lake and Uribe Park, reducing personnel or departmental hours of operations, increasing rental tax, outsourcing police services, reducing street lighting (north of Peoria Avenue), adopting usage fees for parks, moderating or suspending repairs and improvements at municipal facilities, and increased costs to employees for medical insurance. (ROBINSON)

Mayor LeVault

 - For 31 consecutive months sales tax revenues have been down in Arizona affecting Revenue Sharing. There is a two year lag. The next two years will be difficult as well. When will the recession end? In years 2014, 2015, no one knows. For the last three years, Council and staff have worked to be frugal with resulting reductions each year. One of our goals was to build back reserves. The Town was three months away from being out of cash when I took office. We have to have a balanced budget. The level of service must be commensurate with revenues. Town gets revenues by taxing constituents. We are very transparent. Cold comfort that we are not alone in handling these issues.

Town Manager Robinson

 - The Town is currently looking at a shortfall of approximately \$332,000 for FY 2010-11.

Consolidation of Municipal Court

 - The Town needs to realign staffing needs to assure and sustain the Town's future. With the reduction in state revenues we expect it to be more difficult. The Youngtown Court staff has suggested using \$40,476 from the Court Enhancement Fund to make up a portion of the shortfall for the Court's budget. The Court Enhancement Fund is like a savings account and it has taken a long time to get the balance where it is. The Court has approximately \$192,000 in uncollected fines and fees.

Court Clerk Kutcher

 - Some of the fines date back to 1997, but people still pay on them.

Mayor LeVault

 - I would like to see an aging report on the outstanding fines.

Town Manager Robinson

 - The Magistrate has become more aggressive in collections such as attaching income tax returns to pay fines. There are mandates from the State Legislature. The State now requires that Extreme DUI and Supreme Extreme DUI defendants now serve 30 and 45 days jail sentences, 15 days jail time is mandatory. The remainder of the time could be served in Home Detention at a cost savings which is why we asked Council to approve a Home Detention Program. We had a recent bill of more than \$9,000 for jail costs for a month.

Vice Mayor Duran

- Are you negotiating with Peoria Court?

Town Manager Robinson

- We are looking at whether it would be a cost savings. We have a draft agreement but we are taking it slow.

Mayor LeVault

- We would need to know the net results before Council could vote on them. We have to look at level of service for our residents.

Town Manager Robinson

Reduction in Staff

- Two years ago we reorganized and realigned staff to function more effectively. But our back is against the wall and to balance the budget we may have to make cuts to personnel. I do not recommend going to savings. It is very critical that we leave savings for a catastrophic emergency.

Mayor LeVault

- Wages are frozen. Employees have not received a COLA for two years and there are not funds for merit raises in the upcoming budget.

Town Manager Robinson

- Litchfield Park's Town Manager was recently quoted as saying that the only municipality in the West Valley with lower pay than Litchfield Park is Youngtown.
- We do not want to paralyze the Town.

Reduction in Water Costs

Public Works Manager Hannah

- The Town is spending \$60,000 per year in water costs. We have talked about reducing it not quite to drought. Reduction in water would mean that it wouldn't be necessary to mow as often, maybe bi-weekly. Water costs include Maricopa Lake. We are looking at options for mowing. We have a couple of verbal quotes on bi-weekly mowing. We are looking at writing a contract that has some wiggle room if our mowing needs change.

Vice Mayor Duran

- We could convert some parks to grass with rock desert landscaping. Also xeriscape (low water) plantings.

Public Works Manager Hannah

- Rock does have a certain up front cost.

Councilmember Johnson

- Are you talking about all of the parks?

Public Works Manager Hannah

- Desert landscaping doesn't require a lot of maintenance. This would impact O&M (Operations and Maintenance) costs without taking away the nature of the park. Some parks would lend themselves to this treatment better than others. A good example would be Caliche Park – Janice Beck Park of Remembrance. This park is not used for play like some of our other parks.

Councilmember Johnson

- What is the future of Uribe Park and Maricopa Lake Park?

Public Works Manager Hannah

- Water costs for Maricopa Lake in 2008 and 2009 were \$8,300 and \$8,600, respectively. The lake is 2.64 acres, there are 3.2 acres of landscaping and 5.84 acres of grass. There have been discussions about removing the lake. This would involve pulling the liner which would be very expensive. Even before that the material on top of the liner would have to be disposed of. It would be extremely expensive. Also drainage from the lake area would have to be re-engineered. The lake is currently a retention basin and drains from the top when the lake is too full.

Councilmember Johnson

- People thank me for the lake. The Lake draws people to our community.

Mayor LeVault

- We don't know what it would cost to repair/replace the lake liner. We've been told it is three to five years beyond its expected time. How much water is leaking out?

Public Works Manager Hannah

- Most of the water has been lost to evaporation.

Town Manager Robinson

- Cost of water is like liquid gold.

Mayor LeVault

- Another consideration is the aeration pumps. If water is too low they won't work and the lake will become septic. The lake is a retention basin. Most of the rain water in the north part of Town flows to the lake.

Councilmember Johnson

- We should look for grant money to help maintain our lake.

Public Works Manager Hannah

- There may be some grants available in the form of federal funds through the state much like CDBG (Community Development Block Grant) funds. I doubt that we are losing a lot of water but it is open to evaporation 24 hours per day.
- If we eliminated the lake, we'd still have to install dry wells to handle rain flow.

Councilmember Chittenden

- Wasn't the liner repaired or replaced five or six years ago?

Town Manager Robinson

- Longer than that. I think the liner was repaired in 1988 when Mr. Biery was Mayor.

Councilmember Johnson

- The residents all love our lake. I love the lake too. We need to look at every avenue.

Mayor LeVault

- We need to look at intended and unintended consequences.

Public Works Manager Hannah

- Uribe Park has cost \$68,000 to take care of for the past two years covering vandalism, electricity, water, and mowing. It takes 30% of an employee's time to take care of the park and the drainage channel.

Councilmember Mello

- This is partly subsidized by the Agua Fria Ranch Community Facilities District O&M funds. The park is used by the entire Town.

Town Manager Robinson

- It costs \$26,000 for Maricopa Lake Park and \$34,000 for Uribe Park for overall maintenance. Originally the area that is Uribe Park was supposed to be commercial. The Town let it go to residential and a park. It restricts us. Less than 6 acres for the commercial area. If the commercial area was bigger there would be more opportunities for development.

Mayor LeVault

- I negotiated the split when I was HOA President. It looks different from the Mayor's position.

Town Manager Robinson

- The drainage area has to be maintained. A covered pipe would have been better.

Public Works Manager Hannah

- It costs \$22,000 per year to water the drainage area.

Town Manager Robinson

- We don't have the latitude of finances to fix everything. We water, feed, mow for what?

Mayor LeVault

- Impact fees are restricted in what they can be used for.

Town Manager Robinson

- Impact fees are like savings. When they are gone they are gone.

Councilmember Mello

- Can we use impact fees for water costs?

Public Works Manager Hannah

- Janice Beck Park of Remembrance (Caliche Park) costs \$7,000 annually to water, Schiefler Park costs \$4,000 and the Cactus Garden costs \$105.

Town Manager Robinson

Town Services

- Town Library. The sole Saturday volunteer is leaving. Saturday patrons are the same people as the other five days of the week. The Library will be closing on Saturdays, possibly as early as next week. It is important that cultural interaction continues. Library Manager Nancy Lewis and part-time Library Clerk Twila Lampe will cover the Monday through Friday Library hours with the assistance of volunteers. It is our policy that the Library not be open if there is only one person available to staff it. There will be some savings in utilities having the Library closed for two consecutive days.
- Street Lighting. Street lighting north of Peoria Avenue costs \$60,000 per year and it is still too dark. We have discussed the possibility of forming a Street Lighting Improvement District (SLID) for this part of Town. Agua Fria Ranch already has a SLID to pay for street lighting.

Mayor LeVault

- Then a levy could be assessed to cover costs.

Town Manager Robinson

- SLID could also pay for more street lights. It is difficult to see in some neighborhoods. It is better finding addresses since we now have addresses on the curbs. I will discuss this with Chief McDonald and Public Works Manager Hannah.

Mayor LeVault

- It is a bigger area, would it be more expensive?

Public Works Manager Hannah

- Those street lights have older technology. I have been looking at preparing a grant applications for a Phase 2 Energy Efficiency grant to replace street lights with solar and LED lights.

Mayor LeVault

- Will APS help?

Public Works Manager

- Yes, but probably not as much as we'd like. Cost per hour with solar panel would be significantly less but light would be brighter.

Councilmember Chittenden

- The Youngtown Methodist Church had the street light in their lot replaced and it is brighter and costs less.

Public Works Manager Hannah

- We are charging organized sports teams \$400 per month to have the lights on at Uribe Park two nights per week to cover costs of water and electricity.

Councilmember Johnson

- Would having staff go to a four day work week produce any savings.

Town Manager Robinson

- Our analysis is that this would not be a savings and also would not serve our residents.

Clubhouse and Parks

Town Clerk Goldberg

- We have a number of clubs and organizations that use the Clubhouse at no cost to them. Presently the Clubhouse is used approximately 615 hours per year by organizations and Town business. Staff is recommending a usage fee of \$12/hour (average), including electricity, water, setup, and cleaning.
- For some time now Staff has been discussing fees for services regarding park and clubhouse use. Currently we accept reservations for use of Greer Park and require a refundable \$25 clean up deposit. They pay nothing for electricity, water, or staff time to open restrooms. All of our other parks are on a first come, first served basis. We would continue this practice but if someone wanted to reserve a ramada at a park for a special event they could do so for a non-refundable fee to cover water, electricity and staff time. Their reservation would have precedence for use of the park ramada. We are suggesting a fee of \$25 for 4 hours for residents and \$50 for non-residents plus electricity @ \$10/per hour with a two-hour minimum – non-refundable.

Public Works Manager Hannah

- Residents could use the parks whenever they like, but if you wanted the park for a special family event, an anniversary, birthday, or family reunion, you could reserve it. The fee would be set to cover costs of opening restrooms and supplying electricity.

Councilmember Chittenden

- How many residents reserve the park now?

Public Works Manager Hannah

- We average about one reservation per week for Greer Park requesting the lights and the restrooms.

Town Manager Robinson

- It is very fair to recoup some costs.

Councilmember Oglesby

- You could save some money by not having the Clubhouse so cold when the music groups meet. It is freezing in here.

Town Manager Robinson

Residential Rental Tax.

- Town Marshal Dan Connelly has analyzed projected income from the rental tax. If the average house rents for \$700 per month times the 2% tax equals \$14 per month times 12 months is \$168 per rental. It is estimated that there are 945 rental houses (35% of Youngtown residential homes) times \$168 would equal \$158,760.
- An increase in the tax rate of .5% or 1% could realize \$198,450 or \$238,140.
- Outstanding, uncollected rental tax is still to be determined but is in process.

Mayor LeVault

- In new construction there would be impact fees. Apartments would reduce revenues over commercial construction. Renters are high users of services such as Police.

Councilmember Johnson

- Houses rent for as much as \$850 per month in the older part of Town.

Town Manager Robinson

- We have been in touch with Tempe. They have a program in place for collecting their own rental taxes.
- Marshal Connelly is developing an action plan to collect 100% of rental tax owed.

Mayor LeVault

- Maybe we could get an intern to do this research for us.

Police Department.

Chief McDonald

- I have researched and three officers per thousand residents is the standard. We would need 18 Police personnel to meet that. Our model is to have two officers per shift, 24/7. We are evaluating services and their impact on the community. We have eliminated new cars from the budget. Sometime back, the Police Department eliminated the second shift administrative assistant. If we do not have someone to cover the reception area at the Police Department, residents can pick up the phone in the lobby and be connected to dispatch. We are looking at eliminating or narrowing the scope of narcotics investigations.
- Priority 1 calls have a 2 minute response time, Priority 2 calls have an 11 minute response time. We are short-handed and have limited resources.

Mayor LeVault

- Dispatch with the Sheriff's Office is working for us?

Chief McDonald

- Yes. Since our cars are not equipped with MDCs, our officers can not see calls on hold. They have to call dispatch for calls waiting for response. We are working pretty bare bones. I am taking a hard look at personnel. We are short of staff, but funding could make us shorter. We are evaluating what services should be are target services. Officers need to problem solve and work in the community. For many residents the Town is defined by its Police Department. Our Department is a Town asset.

Councilmember Chittenden

- Are officers willing to furlough or take other actions to help out if the property tax doesn't pass?

Chief McDonald

- Officers try to help out but we don't want them to take actions that would be getting the Town in trouble.

Councilmember Johnson

- I hope we can keep the Police Department. We will do what we have to do. Citizens have to pay for those services.

Mayor LeVault

- The Police Department has unanimous support from the dais. The Police Department is a paramilitary organization that needs competence, equipment and personnel so as not to endanger the public or the officers.

Employee Medical Costs

Finance Officer Hoffman

- Our dental insurance will increase about 5% for a total increase of \$864. The Town pays 100% of the premium for the employee. The employee pays for dependent premium costs.
- Our medical insurance premium increase will be \$49,865, a significant change – 29%. Our loss ratio for this year is 140% for 10 months. One claim ongoing is \$70,000, another is \$30,000, another \$10,000 and another is \$9,000.

Councilmember Mello

- My business also had a 29% increase due to an aging staff. But that happens. You have good employees that you want to keep and they get older.

Finance Officer Hoffman

- Some of our insured are Medicare eligible and may decide to go with Medicare options.

Mayor LeVault

- With the new National Health Plan, some large employers have determined that it would be cheaper to pay the fine and cancel health insurance and let employees fend for themselves.

Finance Officer Hoffman

- The Town will be cutting the contribution to employees' HSA (Health Savings Accounts) – a savings of \$11,000. This amount is the difference in the first year premium savings when we went to catastrophic/high deductible insurance. Employees can still contribute to their HSA.
- For High Deductible health insurance plans, the federal government allows most employees to contribute pre-tax dollars to their HSA to pay for medical, dental and over the counter (OTC) expenses. However, with the new National Healthcare Plan, as of January 1, 2011 OTC will be eliminated as an HSA expense.

Town Manager Robinson

- Our insurance plan does cover 100% of medical costs once the deductibles have been met.

Vice Mayor Duran

- Reductions – it is good that we're looking at this.

Councilmember Mello

- If the State sales tax doesn't pass, the Legislature could sweep funds again.

Town Manager Robinson

Summary

- These little nitpicky things add up. Department Heads have been cautious about purchasing. There has been great cooperation. It's a bit gloomy but we will get through this. June 3 we will be bringing the Tentative Town Budget to you. It will be balanced. I don't want to touch savings.

Mayor LeVault

- With government you can less than you have but not more. We have under spent for the last three years.

5. Public Comments

John Maruna, Youngtown Resident

- I am not opposed to Proposition 407. I am concerned about the deception along with it. The ballot language says "Tax to be used for support of the Police Department as the Town deem necessary." The property tax would go into the General Fund and could be used for anything the Town deems necessary. I am not concerned about this Mayor and Council but what about the future? I could have supported this if you'd said what it was really for.

Mayor LeVault

- I appreciate your comments. This Council tries to be as transparent as can be. Statute does not allow us to segregate funds. Property tax money has to go to the General Fund. The Council through the budget allocates where those funds will be used. The Police Department does not operate in a vacuum. The Police Department needs Town Hall for payroll, accounts payable, and human resources. We are not trying to be a fear monger. The Police Department takes 40% of the Town's budget. There is a threshold of competency and safety. The Department is understaffed now. As bad as this year is, next year will be worse. If Proposition 100 doesn't pass, our situation will be really bleak. We are looking at the ability to sustain this Town in the future. We look not only at the day-to-day. Leaders need to provide a vision for the future. We want the residents to be safe and to upgrade our infrastructure.

Councilmember Johnson

- Mr. Maruna, I appreciate that you are here. The Police Department is more than a third of our budget. We have said publicly that our intent was to use the property tax money to sustain our Police Department. It is true that we can't speak for future Councils.

Mayor LeVault

- Each month our revenues are lower. It is less and less likely that we can provide all of the services. To balance the budget, we will have to cut services.

Kathryn French, Agua Fria Ranch Homeowners Association President

- We have had an issue with graffiti. It is good to know that signs and cameras in the park discourage vandalism.
- When people inquire about reserving Uribe Park, I refer them to Town Hall.
- The retention basin needs to remain green to keep the subdivision out of the flood plain.
- A four day work week should be considered. Complaints I get from residents is they can't get to Town Hall during regular business hours. Longer hours could accommodate them.
- Suggested revenue source is to get a Red Box for video rentals and place it in front of the Library. They are paying 3% for placement. What about the Town going solar as a way to reduce energy costs?

Councilmember Mello

- The Town of Greenville, Kansas found that going "Green" was an incredible way to reinvent them. They have become the "Green" poster child. They developed a business incubator program. How do we sustain the Town? How do we go forward?

Mike Fehlig, Town Resident

- The Town needs citizens with ideas for how to reinvent the Town. Like the Public Works facility-We should reconsider what we do with it. I think it should be leased out for five years and then when the market improves determine what should be done with it. Also the Park at 111th Avenue and Peoria Avenue with the high pressure gas valve. This park should be sold for commercial use. The park doesn't serve much of a purpose anyway.
- A group of us tried to put together a package for a sports complex. There was a package that involved the state and federal government to put a lake in the river bed and stock the lake. Outside people would come to fish there. Concerned about the amount for fees. As a member of the RV club I know that campers can rent a space with hookups at Lake Pleasant for \$20/night.
- Regarding the Court system going to Peoria, I have heard their Court is not good with code. Need to look at both sides of coin.

Mayor LeVault

- We are committed to the Police Department. We are not shutting down the Police Department. There all sorts of options in between. You have a frugal and creative Council

and Staff. We have the same issues as bigger cities just on a smaller scale. We have a lot less options. We are here because we love living in a small town.

Town Manager Robinson

- Revenues drive the budget. If you don't have it coming in, you can't do it. We start with an overview of revenues and look at taking care of costs that impact. We look for ways to be more efficient. For example, a Police Officer checking the language box on a citation, lets the Court know that an interpreter might be needed for a Court session. Then the Court schedules several trials together so the interpreter can come for that event and not be waiting to see if interpreter services are needed and Court paying the waiting time – paying for 3 to 4 hours when interpreter needed for 30 minutes. Also the interpreter has reduced her rate. I could write a book about some of the decisions we have made.

Patrice Druehl, Youngtown Resident

- Electricity bill could be reduced for the Clubhouse by turning up the A/C. We're freezing.

Councilmember Chittenden

- I was late this evening because of an emergency that happened coming up the hill from Laughlin. I accompanied a woman who did not prepare for the possibility of a problem. We sat a the side of the road for more than 45 minutes. No one stopped. It is summer. Check your vehicle before you go anywhere. Be prepared.

Mayor LeVault

- It is not my Town, it is not our Town, it is your Town – the Citizens. We are caretakers. We need input and comments from the public.

Vice Mayor Duran

- It is okay to disagree as long as you disagree agreeably.

Regular Council Meeting: Thursday, May 20, 2010.

Adjournment.

Motion to adjourn – Councilmember Mello

Second – Vice Mayor Duran

Meeting adjourned at 8:37 p.m.



Michael LeVault, Mayor

Attest:



Letty Goldberg, Town Clerk/Treasurer

Minutes approved at the June 3, 2010 Regular Meeting.



SPECIAL COUNCIL MEETING
May 10, 2010

There may be some public perceptions that these are threats. They are in fact realities of "hunkering down and surviving" as a town. We are preparing for the Town's future and positioning it for sustainability beyond the next 2 years.

Intent is to REALIGN staffing with service needs vs. CUTS without justification or future ramifications. The below are results of estimations, analyses and review by the Dept. Heads. Some of the figures are subject to final calculations.

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I. YT Municipal Court-Consolidate/Move [ROBINSON]

- Cost-\$281,295
- Using savings/Code Enhancement \$40,476
- Town subsidizes \$115,819
- Total Town subsidizing \$156,295
- Currently uncollected \$192,058
- Negotiating with City of Peoria

II. Reduction in Staff [ROBINSON]

- Each Dept. to analyze departmental functions and most conservation staffing needs
- Propose reduction of personnel based on this analogy
- Current Staff - 32 (29 Full-time; 3 Part-time)
- Propose - 28 (24 Full-time, 4 Part-time)
- Savings: \$316,974.

III. Balancing FY 2010-11 [ROBINSON]

- Shortfall \$ 332,000
- Less Personnel Reduction (316,000)
- Less Parks Water Reduction (20,000)
- Estimated Balance \$ 4,000+

MISCELLANEOUS

IX. Police Dept.-[MCDONALD]

- Current Cost \$1,266,315 (PD and PD Grants Budget)
- Options to reduce operations i.e., personnel, fleet under review

X. Employee Medical Costs [HOFFMAN]

- Dental increase by  $5\frac{1}{2}\%$  to \$864/YR-Town's cost
- Medical increase by 29% to \$49,765/YR-Town's cost
- Remove HSA Town match-savings \$11,000