MINUTES OF SPECIAL MEETING AND EXECUTIVE SESSION OF THE COMMON COUNCIL OF YOUNGTOWN, AZ

TUESDAY, AUGUST 2, 2011, TOWN CLUBHOUSE KITCHEN AREA, 12033 CLUBHOUSE SQUARE

Mayor LeVault asked Councilmember Johnson to lead the Pledge and Vice Mayor Duran to offer the Invocation.

1. **Call to Order Mayor LeVault called the Special Meeting to order at 6:13 p.m.**

2. **Roll Call** **Council present: Mayor Michael LeVault, Vice Mayor Jacob Duran, Councilmembers Margaret Chittenden, Dorena Mello, Shirley Oglesby-Gustafson, Susan MacKay, and Judy Johnson.**
   Staff present: Town Manager Lloyce Robinson, Town Attorneys Susan Goodwin and Michelle Swann, Police Chief Terry McDonald, Finance Officer Jackie Hoffman, and Town Clerk/Treasurer Letty Goldberg.

3. **Call for Motion to Convene into Executive Session:**
   Motion to convene into Executive Session – Councilmember Mello
   Second – Councilmember Johnson
   Motion passed unanimously on a voice vote.

   A. Convene Executive Session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a possible contract to engage an independent surveyor to conduct, evaluate and process survey responses from Town residents.

   B. Convene Executive Session pursuant to A.R.S. § 38-431.03(A)(3) for discussion for legal advice with the Town Attorney related to the legal methods by which the question of whether to establish an initial primary property tax may be placed on a ballot for a vote by the qualified electors of the Town of Youngtown.

   C. Convene Executive Session pursuant to A.R.S. § 38-431.03(A)(3) for discussion for legal advice with the Town Attorney relating to campaign activities of Town of Youngtown employees.

   D. Convene Executive Session pursuant to A.R.S. § 38-431.03(A)(3) for discussion for legal advice with the Town Attorney regarding legal options of the Town in the event of the Town's failure to generate sufficient revenues.

   E. Convene Executive Session pursuant to A.R.S. § 38-431.03(A)(3) for discussion for legal advice with the Town Attorney related to options for providing public safety services.

4. **Adjourn Executive Session and reconvene Special Meeting**
   Motion to adjourn Executive Session – Councilmember Mello
   Second – Councilmember MacKay
   Motion passed unanimously on a voice vote.

   C. Discussion and/or Action Re: Approval of Town Manager to enter into a contract for professional services with an independent surveyor to conduct a survey of Town residents at an amount not to exceed $20,000 and authorizing the Town Manager to execute the contract.
   Town Manager Robinson
   - I have spoken with Theresa Gunn of Gunn Communications several times over the past two days. She is familiar with Youngtown having done the 2000 Census and 2005 midterm Census. This would be a neutral survey of all residents and business owners. Ms. Gunn would use a variety of techniques for reaching Youngtown residents for the survey to be a meaningful sample. She would draft the questions which would then be reviewed by our attorneys. Ms. Gunn recently completed a transportation survey for the City of Avondale. We have not finalized how to do the survey. Ms. Gunn suggested a big meeting. We did that in October 2010 when we asked "What is the Future of Youngtown?" Is there another way? A former Police Chief said we should ask the residents "Do you

want to be a Town? When I returned to Youngtown, I was disappointed where the Town was financially, but I took the challenge. Ms. Gunn would compile the survey results and produce a report. The survey needs to include what services our residents want and use. We only get one shot for this.

Councilmember Chittenden

- Would the survey be just for voters?

Councilmember Mello

- We need to hear from everyone. Council needs directions and the residents need all of the information.

Mayor LeVault

- Time is of the essence. The survey needs to be done quickly.

Councilmember Johnson

- We have to educate the residents of the facts. This is not scare tactics.

Councilmember Mello

- The fact sheet should indicate references as to where the information came from so that residents can research the source if they wish.

Councilmember Oglesby-Gustafson

- Envelope needs to make people want to open it. Can we call people on the voter registration list to let them know about the survey?

Town Attorney Swann

- Ms. Gunn is the specialist, and therefore we recommend relying on her skills to determine the best methods for getting people to respond to surveys. The survey will not be restricted to Town qualified electors but all respondents. The survey may ask if the respondent voted in the last election. It may be that the "Do Not Call" list exempts political campaigning, but this is not a political survey.

Jim Trollen, Town resident

- Pay attention to your attorney. A number of years ago the Youngtown Drug Alliance surveyed every household regarding drug and alcohol abuse. We wanted to know what the public thought. We had 400 responses. Mayor, I commend you for wantingd to do a survey. Don't try to load it for what you need. Make it a legitimate survey.

Mayor LeVault

- As Council sees it, the Town has five options: 1) Use savings to cover the deficit and in three to four years declare bankruptcy, 2) Make major cuts in services, 3) Voters Initiate a Property Tax, 4) Disincorporation – become a County Island, or 5) De-annex and be annexed into a neighboring city (El Mirage or Peoria).
- Survey has to be neutral and unassailable.

Town Attorney Swann

- As we understand it, the survey will be broad. Questions such as "Do you use the parks? Which park? How often?"

Councilmember Mello

- We need real information to give us direction.

Mike Fehlig, Town resident

- Another option is to take the Town backwards to when the Town was run by the Mayor and Clerk and each Councilmember served as a Commissioner (Department Head) of a Department. When things go wrong everyone loses. Now you want to go back to the people for answers. You have a limited budget because of inflation and the economy and the state keeps taking more. You have to make choices. I went to a meeting about the Town's financial situation and the only comment I heard was "I don't care what you do, but the Library stays open."

Mayor LeVault

- The Town needs local control. If we are annexed to another city it will have a negative impact. The HOA can hold back the dam for the subdivision, but the rest of the Town could quickly go bad. They would be the biggest losers. How much? That needs to be determined. I'm smart enough to know that for a property tax to have a chance of passing, there can be no fluff, no puffery, and no obfuscation.
- We are a representative Republic. Council sets policy but we have to stay in touch with our constituency. They won't like it 100% but we can get a sense of what constituents want.

Mr. Trollen

- What is the time table for the survey? You need to publicize it. How will you present it? What info do you want to send out?

Mayor LeVault

- We will need a short turnaround time. Our consultant will direct us. They are the experts.

Councilmember Mello

- We need to get factual information out before the survey.

Councilmember Chittenden

- The information is out there. There is an article on the new budget in the current issued of the Youngtown Village Reporter.

Motion to approve Town Manager to enter into a contract for professional services with an independent surveyor to conduct a survey of Town residents at an amount not to exceed $20,000 and authorizing the Town Manager to execute the contract – Councilmember Johnson
Second – Vice Mayor Duran
Motion passed unanimously on a roll call vote.

A. Discussion and/or Action Re: Establishment of an initial property tax to be placed on the ballot for vote by qualified electors of Youngtown.

Mayor LeVault

- We have discussed the five options. We have about three years of savings in the General Fund. The other investment accounts have restrictions on their use. The Town needs a minimum of $1 million to make up for the reductions in revenues by the Legislature.

Mr. Fehlig

- Would $1 million cover the amount lost?

Finance Officer Hoffman

- If we go back to 2006 to present, the Town has lost $500,000. In 2005 Census the Town population increased to what it is now. Population drives the formula for shared revenues. Making comparisons with earlier years would not be accurate. People will have to determine what level of services they want.

Mayor LeVault

- Even if the voters approved a primary property tax, Council would spend it wisely. Chief McDonald has told us that any further cuts to the Police Department budget would impair his ability to do the job safely.

Town Manager Robinson

- I have started a list of other expenses/needs. It will cost about $200,000 per year to save the transit bus route 106 on 111th Avenue. This is the only bus service our residents have. Sometime in the past Youngtown signed off its allocation to the County. Town Engineer Grant Anderson is trying to negotiate our getting it back. Streets need repair and maintenance. We should be budgeting $250,000 per year for street repairs. We have been devoting resources to PM-10 by paving our alleys so that we are in compliance. Now we are using funds for improving fire flow, a huge public safety issue.

Mayor LeVault

- Assisted living residents need to be in walking distance of public transportation. Our Capital Improvement projects have been on a "pay as you go" basis because we have no bonding capacity. Our neighbors can borrow with bonds to do capital projects.

Town Manager Robinson

- During last year's budget process, Department Heads projected a five-year capital projects plan with an estimated cost of $4.5 million. For example the Police Department would replace four police cars at a cost of $40,000 each.
- There has been nothing in the budget for employee raises for the past two to three years – no COLA for three years and no merit for two years. COLA or merit would cost about $90,000 per year.
- Council needs to consider Succession. If Mayor LeVault and Councilmembers Chittenden, Johnson, and MacKay decided not to run again in 2013 there would be a major change to the Council. Town Clerk/Treasurer Goldberg, Finance Officer Hoffman and I could retire in the next two years. The Town will be losing historical knowledge.
- When I returned to Youngtown, the General Fund Investment Account had a balance of $718,000. Over the past five years through conservative spending, the fund has been increased to $1.766 million. Once it is spent it is gone. Now we are at the cliff. In June 2010 we did RIF's to balance the budget. This year we have targeted savings to balance the budget. We won't use if we don't have to. We do not have sufficient revenues. We have a good team and we have done really well.

Councilmember MacKay

- An option is cutting back services.

Chief McDonald

- The Police Department has reached the point where we don't have any more to give. I am pro the Library and pro the dog park and pro the community garden. These are important to the community. I am committed to professionalize the Police Department. I know my job. We need additional resources to keep people safe.

Councilmember Johnson

- How much would it cost to add two Police Officers?

Finance Officer Hoffman

- $75,000 each per year of $150,000 for two Officers for salaries and benefits. There would be other expenses.

Chief McDonald

- That is why we are pursuing partnerships. We need to know where we are going.

Town Manager Robinson

- The Town's financial infrastructure needs to be supplemented. The formation of the North Youngtown Street Lighting Improvement District would free up $75,000 in HURF funds that could be used for street repairs. The Legislature has made huge cuts to HURF,
- This year's budget is the first that we have had to use savings to balance the budget. The budget is an estimate. If we don't need it we won't use it.
- Every Department has a need. The Police Department is the most costly. There are challenges in the Department. Need to improve services – reporting process. Chief is up against the wall.

Mr. Fehlig

- Based on the five-year plan, you are going to need more than $1 million or you or the next Council is going to have to deal with it.

Mayor LeVault

- With a stream of revenue we could approve a bond issue for infrastructure. The balance would keep the Town viable.

Councilmember MacKay

- This is just one tool in the tool box. Economic Development and sales tax and whole bunch of other things will be needed.

Town Manager Robinson

- We are working on Economic Development and Tim Pickering will have a report for Council at the September 15 meeting. Also the Mayor and I will be attending a meeting of a new organization made up of Mayors of small towns in Maricopa County. The group's focus is how can small towns move forward and survive.

Motion to table Agenda Items 4 A and B until after the results of the Town survey – Councilmember Mello
Second –Councilmember Chittenden
Motion passed unanimously on a voice vote.

B. Discussion and/or Action Re: Options in the event the Town fails to generate sufficient revenues to meet budgetary needs.

See Item 4 A above.

5. Adjournment

Motion to adjourn the Special Meeting – Councilmember Mello
Second – Councilmember Oglesby-Gustafson
Meeting adjourned at 9:15 p.m.

Michael LeVault, Mayor

Attest:

Letty Goldberg, Town Clerk

Minutes approved at the September 15, 2011 Regular Meeting.