

**MINUTES OF MEETING AND PUBLIC HEARING OF THE
THATCHER TOWN COUNCIL
April 13, 2010**

Present: Mayor Rivera, Vice Mayor Mulleneaux, Councilman Donald Innes, Kenneth Larson, Eric Merriman, Charles Morris, Wayne Griffin

Staff: Terry Hinton Manager, Heath Brown Engineer, Chief Mark Steven Police, Mike Payne Fire, Dudley Welker Attorney, Lona Duncan Town Clerk

Visitors: Aimee Staten, Scott Powell, Scott Curtis, Aaron Allen, Chris Gibbs

AGENDA

Mayor Rivera called the meeting to order at 7:00 pm stating there was a quorum. Mayor said God bless our Troops there family and American. I ask you to keep them in your prayers. Mayor Rivera also wanted to acknowledge Mayor Elect Chris Gibbs from the City of Safford and welcomed him to the meeting.

Pledge of Allegiance lead by Aimee Staten

Roll Call.

PUBLIC HEARING:

- A. Paul Nelson Use Permit to allow a parent to live in separate quarters at his home.

None

OPEN CALL TO THE PUBLIC:

None

PUBLIC APPEARANCES:

None

CONSENT AGENDA:

- A. Approve minutes of the March 9, 2010 Regular Council Meeting and March 23, 2010 Special Meeting.
- B. Planning and Zoning Monthly Report.
- C. Police Monthly Report.
- D. Approval of Invoices.
- E. Financial Reports.

Councilman Morris made motion to approve minutes and reports. Councilman Merriman seconded the motion. The vote was unanimous Motion passed

OLD BUSINESS:

- A. 2010/2011 Preliminary Budget Discussion.

Terry said I have the latest numbers from the state for state shared revenue. I have cut back on most of our revenues in this budget and because it is a preliminary budget the total amount can

decrease but can not increase. So if we decide to change something between now and June we can do that. In the budget health insurance and liability insurance has a 10% increase, dispatching has a 15% increase fees, the land fill has room to grow because the fees from City of Safford have not gone up. There is a police car in the budget and in the electrical under equipment is money for a good used boom truck ours is getting old. The Fire Chief is getting a new truck his is getting bad we have put enough money into it. I think we can utilize the equipment on the truck he has now in order to keep cost down. Terry said that Hurf went up from the last time we talked about budget. We all know that Ltaf has been taking away but I still have about 75 thousand dollars in there we will spend on sidewalks and streets. I have give the employee's a 2% cost of living raise and the Arizona Retirement contribution rate is going up about a half of percent. Vice Mayor Mulleneaux ask about Public Safety Terry said it went down and Elected Official went up to about 28%. Terry said our debt service is covered for the Gada loan and the debt on the fire truck. Mr. Powell said our fund balance went up by a half million dollars last year and I expect it to be the same next year. Mayor Rivera asked about the State figures being cuts. Terry said the figures came from the League of Cities and Towns and the Hurf was more than I expected but Urban sharing was less and Auto taxes were really cut. Council Griffin asked about the length of time still on the Gada loan Terry said about 7 years which we can not pay off early and fire truck about 6 years. Terry said the Fund Balance will be up by the end of year into the 12 to 14 million dollar range. If we could pass the preliminary budget tonight that will give us a place to start. Also the expenditure limitation this year is over 9 million dollars so if we spent 100% of our budget including the 2 ½ million dollars in contingency we will still be under the expenditure limitation.

Terry said on the street budget with the increase in Hurf money Heath and I are expecting to widen Allred Lane up to Eliza Lane and put a ninety degree angle in at the intersection. On Valley View Road we plan on putting the curbs in ourselves and then have it overlaid. We will bill the subdivision the amount that is their portion of cost so if and when they continue on with that subdivision then they will have to pay for it. We will have Valley View completed except for the sidewalks and the home owners will have to do that. Mayor Rivera asked the time frame and Terry said it will be towards the end of budget year. Terry said we are getting quite a bit more work done in the 4 day work period at least with the street crew. Councilman Innes said he talked to Tommy and it is less tear down time. Terry said when Tommy finishes where he is they are going to the nursing building, the college is going to demo the old sidewalk that is broken then we will pour the new sidewalk and that will probably finish out this budget year. The project for 2010/2011 will be Allred Lane and Valley View Road. We are working on a stimulus project called ARRA 2 we want it to start where we leave off on Reay Lane at about the canal from there down to the highway. We are trying to get that ready as a project so we may have to pay someone to do the environmental study so if it is approved we will be ready. Councilman Morris asked if the stimulus project on Reay Lane is still going. Terry said yes it has been awarded and ADOT told me they were waiting on two things the mixed design from CKC and a partnering meeting so by next month you will see that happen. Heath is also working on the plans for the walking path which will probably start on the west side of the road about Johnson Street and go to the bridge and at the bridge cross over and pick up on the east side down to Church Street. This budget has five thousand dollars in it for the Safford Library it is a starting point we are trying to do our part. The Fire Works are still in the budget and so is the Foundation neither has been cut.

Councilman Griffin made the motion to accept the Preliminary Budget for 2010/2011. Councilman Innes seconded the motion. The vote was unanimous. Motion passed

NEW BUSINESS: Discussion, consideration and possible action

A. 2009/2010 Audit Presentation – Scott Powell

Scott Powell stood and explained to Council that their audits are conducted according to general audit standards constituted by American Institute of CPA's and also Government audit standards. Those standards require that we look at documentation, test account and we interview members of staff. I would like to go over some methodology we used,

as far as revenue we talk to State and County Treasures Offices take their reports and numbers trace them into the towns accounts found in the general ledger and the bank statements. That is generally where most of your income comes from. As far as the utility system there is not a place to go look so what we do is look at the number of users, what the billing rates are, water and electric purchases, then we mixing them together performing calculations we can determine how close the revenue should be. If there is a large gap we dig a little deeper. We also go through utility billing and selected payments, both the bills going out and the money coming in, where did it go and how did it hit the ledgers. As far as the expense side we pull all expenditures and then pull all the documentation like invoices and statements we then go thru another process where we go through a ledger sorted by dollar amount and look for unusual items or large dollar amounts. In our audits we go a third step and pull large credit card charges to see if they are in order with correct documentation. We have found that everything appears to be in good order and that the general ledger successfully reports to you the transactions of the town. In a regular business we try to measure profit and loss that is not the goal of a city or town. There are two things to look at one to measure results of operations and secondly to measure the assets and safe guard of those assets. We feel that our audit hits all those areas. We also look at the minutes to see if you have approved the expenditures and that you had the opportunity to see those monthly. A couple of high points your cash balance has increased by 500 thousand dollars over the year and capital assets increase over a million dollars what that is in the middle of June you were in the middle of construction I believe it was what you call your yard that is were most of the cash was going. That is held there in what we call construction progress until it is completed then it is moved to fixed assets. That is where most of your changes came from your account payable went down your debt went down and you paid 55 thousand on the principal of the Gada loan. A number you look at if you only have 30 seconds to look at a financial statement and know if you are getting better or worse is the change in net assets. To get that figure we take all your revenue less all your expenses and you can see how you are doing. The Town of Thatcher has consistently been going up each year your fund balance has increased over a million and a half dollars this year. When we say you had excess of a million and a half dollars that doesn't mean it is all cash a lot of that is money you are waiting to receive from the State Treasurer and a lot was paid out in capital assets which don't hit the expense accounts but it is a sign of things getting better. If there was a down this year it accrued in the 3rd calendar quarter of last year of 2008 when the Lehman Brothers filed bankruptcy. The state investment pool had a very large amount invested in Lehman Brothers and the Towns share of that lost was 98 thousand dollar. The utility systems in general shows the income is going up a little each year that has been your tend. The electrical system supports some of the other utilities. My report would be that the records appear to be in good shape nothing came to our attention to make us concerned if there was we checked it very thoroughly we did not find any material error or significant issues that need to be addressed. There will be one finding in your audit and I will say that most towns, cities and counties will have this because they do not have anyone on staff that is trained to write these financial statements. So most organizations are asking there auditor to write the financial statement and that is what we have done for you. Again I would like to offer my service to explain anything to Council in a workshop or Council meetings just let me know. Councilman Innes asked how are we doing in relation to other towns our size. Mr. Powell said your town is AA plus of the towns that we take care of you are financial the best. We have towns that are conservative and only buy what needs to spend. Right now there are a lot that have fallen revenues and the only place to cut is personnel. You are doing very well. Councilman Innes asked if he had any words of advice of things we should be doing differently. Mr. Powell said that is hard for me to answer because I am not part of a small community and I would need to know your goals and priorities. We have seen across the board things like parks and recreation being cut out, things like library hours being cut that brings on another set of issues. I know some communities that have no other choice. Mayor Rivera thanked Mr. Powell for coming.

B. Tuscany Lane infrastructure improvement acceptance.

Terry stated that The Village on 8th Street just east of 1st Ave on the south side of road has two houses rights now they have completed the curb and paving and Heath has inspected it. I feel that it meets our specification and can be accepted into our system. Heath said I agree with Terry I received the testing results did the walk through it looks good it is clean.

Councilman Innes made motion to accept Tuscany Lane infrastructure into the system. Councilman Morris seconded the motion. The vote was unanimous. Motion passed

C. Decision on Paul Nelson Use Permit.

Terry said we had an identical request last month from Mr. Goodman. Mr. Nelson has his mother living in the guest house in back of him and is asking for a Use Permit to maintain that. We are putting on the Use Permit the statement that say it is only for her to live there and once she is gone it will revert back to being a quest house and can not be rented out. We have put that on the permit so there will be question or problems later on. Terry said that P&Z also stated that after they approved the request.

Councilman Merriman made the motion to approve the Use Permit for Paul Nelson. Councilman Larson seconded the motion. The vote was unanimous. Motion passed

EXECUTIVE SESSION: Pursuant to A.R.S. Section 38-431.02 (A)(1)(7) the Council may go into Executive Session to discuss personnel matters (employment contracts) and to consult with the Town Attorney for legal advise.

Terry asked to go into executive session and for himself, Dudley Welker and Lona Duncan to remain for about 30 minutes.

Vice Mayor Mulleneaux made motion to go into executive session. Councilman Morris seconded the motion. The vote was unanimous Time 8:00pm

A. Decision on Executive Session.

Mayor Rivera said that this Council is willing to give Terry 90% of his salary, life insurance but no 401 and start him off with 3 weeks' vacation and all the other items you put in here. Terry said he would probably retire by the end of the month and the contact I have now will be null and void. Mayor Rivera said the contact for David Perkins we had no issues with. Council agreed to have both contracts signed by Mayor Rivera when completed.

INFORMATIONAL ITEMS:

A. Town Manager's Report:

Terry said the sidewalk project is still going on but about the 12th of next month the pedestrian bridge on Frye Creek with be delivered. The plan is to unload it off the truck and set it on the foundation and we are hoping the sidewalks on both side will be ready to go by then. The Parks and the weeds are being worked on the bathroom has been completed there are new fixtures, the floor has been painted the only thing left is the new door closures. We also have new grass down that looks real nice. Vice Mayor Mulleneaux said he would like to mention that we appreciate the Eagle Scout projects on the re-roofing in the Park. Terry said we had two projects one from Garret Jensen who did half and Rex Dodge did the other half. They painted and put on a new roof for the

Ramada's. They did the work and we paid for materials. Councilman Innes said that is a very busy park. Mark Stevens mentioned that Eric Angle had put in a sand volley ball court earlier as an Eagle Scout project. Terry said yes and we are looking at putting in a horse shoe pit also. The park at Daley Estates looks pretty good the weeds are off of it the restrooms are not opened because we can not keep the vandals out of them. The racked ball courts are still a problem we are taking the garbage can and locking it up in the bathrooms because they were taking it and climbing on it to get in the racked ball courts they have torn a hole in the screen and then jump down. So the screen needs to be replaced. Vice Mayor Mulleneaux said he thought we should still look at putting a camera out there. Mayor Rivera said another concern is with them falling. Terry said the net for volley ball and basketball hoop is still there. The third park is still being worked on. Vice Mayor Mulleneaux said the lay down yard is looking good.

Terry said the EAC pool will open May 24th to the public from 1:30 to 5:30 or 6:00 Monday through Friday and there is an evening swim on Thursday and Friday. They are teaching two swim classes and two aerobic classes that start at 11:00 and go until 1:00 and the pool maintenance is from 5:30 to 8:30. I ask them about the time frame of 9:30 to 11:00 for the swim team. That is the only window they have given me for swim team. Councilman Innes said they need about 2 to 3 hours to practice but the hour and a half is better than nothing. In the past they let them swim from 6:00 to 8:00 .Terry said I think the schedule is the same as last year. Councilman Innes asked if they will have a coach for swim team. Terry said I would suspect that we will have to get the coach and I did tell them that we would do that. Councilman Innes said that Allison Stiles has already said she would do it. Terry said EAC will take care of the Life Guards. I think the pool is working every well Councilman Innes said it was cleaned and patched and repainted. Terry said in the Council packet is a form that KR Saline has completed it is a rate comparison between City of Safford, APS and Graham County Coop and ourselves. We compare very favorably so I don't think we need a cost increase. Councilman Innes asked about the letters for cleaning up and Terry said it was an on going process that we work on we have not let that go we do drive around and look at that. Councilman Innes said there is a noticeable improvement. Vice Mayor Mulleneaux said there are a number of elderly people and unoccupied houses that could be used for Eagle Scout projects. Terry said that can not be used for a Eagle Scout project but a service project by schools, youth or other groups can be done. Vice Mayor said there is a real need for that service. Councilman Innes said he knew of a group of people coming down to see the new Temple that is looking for a project. Chris Gibbs said the Helping Hands group here in the valley may help if you contact Jon Bonefas he is putting together a list of people that need help on minor repairs clean ups and the boy scouts will be involved in that project

B. Fire Department Report.

Chief Payne said the Ariel truck will be finished in another month to months. It will be 3 to 4 weeks before we can do the inspection which is done prior to it being finished then a couple of weeks after that it will be finished. Chief Payne said their mechanic will drive it out and will then go through it again after it is here. They will also put on a seminar so we know how to maintain the truck. We are putting on one new fireman named Wesley Miner he has been going to meetings for the last four months. The classes have ended and they are waiting to do the State test. The College is planning on classes for the fall semester and we will have 2 or 3 guys attending. Vice Mayor asked if they use our facility and the answer was yes also the equipment. Chief Payne said we would like to ask the people to be careful when they burn do to the excess of weeds.

C. Police Department Report.

Chief Mark Stevens said that Officer West our resource officer told me yesterday they were going to cut another 70 schools from the resource officer program. Terry said the

other grant we applied that was denied we received notification that they are going to go back through all the applications that weren't approved and look at those again so there is a change we might still get one. Chief Steven said I believe the City of Mesa was the only one in the State that received one. Chief Stevens said we were the only agency that received a resource officer last year we are hoping we will get it again they should let us know this month. We received digital camera's and tape recorder and lapel recorders from a grant that Graham County received and I would like to thank them. Terry said the County also got a grant for radios for the Fire Department we received four regular and one mobile. Officer Curtis has received three radios from Stone Gardens and has applied for another seven. The new radios are very expensive around three thousand a piece. We think we will get most of them through Grants. The new car we are getting will get a new radio and Kendall's is broken and Office West's is the wrong one so that is where the three new ones are going. Chief Stevens said that Stone Garden also gave us 8 pairs of binoculars.

COMMITTEE REPORTS:

- A. Safe House- Councilman Griffin said he had nothing to report
- B. Chamber of Commerce- Councilman Merriman said they had a meeting today and talked about the Salsa Book sells and revenue. He said that Friday 16th the Chamber will have a breakfast at 7:00am with Springbok giving an overview of what they are doing. On Mother's day the 7th 8th and 9th they are going to have the train ride from Safford to Pima. On the 16th there will be another breakfast and that will be for the candidates like Sylvia Allen, Bill Konopnicki to speak. We also had JT Lines Arizona going green they are going to have information on homes on how to save on water and electric by solar grids and insulation etc. Valley Furniture has a solar panel on his building and his electric has been a negative balance. Terry said we are getting ready for the EE CDBG grant to put in solar panel at the waste water treatment plant. We are getting an 80 thousand grant and we will put in another 20 thousand of our own money for the solar panels. Councilman Merriman said on June 10th they are thinking it will be in the Graham County Ag building on ways to prepare your homes to save money and go green. Seacus will have a barbeque contest so anyone who wants to get in needs to contact them it will be May 15th. After our Chamber meeting there was a meeting with Tom Horn he is going to be running for Attorney General he talked to the Chamber. Mayor Rivera asked about who would be over the Chamber and Councilman Merriman said that Marie Freestone is doing it as an intern and she will do a good job.
- C. SEAGO - Mayor River said next month on May 14th which is a work day we will host the meeting. It is going to be across the street at EAC and I would like to invite the Council it starts at 10:00 am and Council Merriman will take my place because I will be gone.
- D. Arizona Foundation - Councilman Larson said they are still in the process of being part of Arizona Foundation. Mayor Rivera asked Aimee Staten how long it would take and she said it has to be in by June and we have met the criteria just have more paper work to complete. Mayor Rivera asked if this would bring more money and she said just more administration.
- E. Library Committee - Councilman Morris said they are still gathering information from different libraries and there will be a meeting tomorrow night.

ADJOURNMENT

Councilman Merriman made motion to adjourn meeting and Councilman Innes seconded the motion. The vote was unanimous. Meeting adjourned at 9:50pm

ATTEST:

APPROVED:

Lona Duncan, Town Clerk

Robert Rivera, Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular/special meeting of the Town Council of the Town of Thatcher held on the 13th day of April , 2010. I further certify that the meeting was duly called and held and that a quorum was present.

Lona Duncan, Town Clerk