

**MINUTES  
EAGAR TOWN COUNCIL  
WORK SESSION  
22 W. 2<sup>nd</sup> St., Eagar, AZ  
April 7, 2009 – 6:00 P.M.**

Mayor Kim Holaway called the meeting to order and welcomed those present. Mayor Holaway said to let the record show that all council members are present.

COUNCIL PRESENT:        Kim Holaway, Mayor  
                                 James Nelson, Jr., Vice Mayor  
                                 Byron Smith  
                                 Gary Finch  
                                 Guy Phelps  
                                 Dustin Sanders  
                                 Steve Erhart

STAFF PRESENT:         Bill Greenwood, Town Manager  
                                 Katie Wood, Finance Administrator  
                                 Bruce Ray, Community Development Director  
                                 Mike Hogan, Chief of Police  
                                 Howard Carlson, Fire Chief  
                                 Elwin Browning, Public Works Administrator  
                                 Eva Wilson, Town Clerk

**ITEM # 3: NEW BUSINESS**

**A. FISCAL YEAR 2009-2010 BUDGET DISCUSSION**

According to the League (League of Arizona Cities and Towns) HURF revenues are projected to be \$300,000 under last year's revenues, and Utility Revenue is projected to stay firm. The expenditure limitation has not yet been calculated, as several factors still need to be determined. Sales tax revenue may be slightly lower than the past year.

Department heads have been very involved with their budget planning, however even with significant cuts, the town's General Fund is still showing a deficit of \$115,000. Administrators have been discussing furloughs and other reductions. The final budget numbers for personnel benefits will not be known until after May 11<sup>th</sup> as this is employee's open enrollment for benefits.

The Insurance in Lieu-Flexible Spending Account will need to be considered by the Council, and it was directed that this item be placed on the April 21<sup>st</sup> regular session agenda for consideration.

The draft budget shows no salary budget for the Parks and Recreation Department; the Fire Department will be responsible for the upkeep and rental administration of Ramsey Park. The only expenditure in the Parks and Recreation Department budget is the State Lease Land.

The HURF budget is basically balanced at this point; this fund does have a large majority of the Town's debt payments.

The Utilities Fund needs to see the biggest cuts in expenditures, purchases and possibly personnel. Under a capital improvement plan conducted by Dan Jackson's, Economists.com, recommendation, the Town took out a Water Infrastructure Financing Authority (WIFA) loan but has since backed out of many of the proposed projects; however the Town has spent and is paying back approximately \$200,000 for past WIFA projects.

Town Manager Bill Greenwood is concerned about laying off skilled employees as the Town is to receive the next round of Community Development Block Grant (CDBG) monies. The Town is planning to replace sewer lines on Brown and Hamblin Streets, and to resurface these streets in 2011 with CDBG monies. (The Town will apply for the grant in 2010 and receive funds in 2011.) Mr. Greenwood prefers to do these types of projects in-house, as the Town has had problems with past contracted jobs.

Mr. Greenwood proposed that the Town continue with the WIFA projects that were initially planned, Spanish Trail and River Road project. This will keep revenue coming to keep skilled personnel while finishing necessary projects. By taking this action, at least four public works positions may be spared. He stated that WIFA payments could be paid back with a combination of User Fees, Impact Fees, and water sales. Mr. Greenwood currently has calls into WIFA regarding funding and pay back; he will have more information for the next budget work session.

Vice-Mayor James Nelson suggested that the Town research the affordability of WIFA loan payments if the Town were to receive new funds to finish proposed projects. The Town needs to ensure that all bond payments will be met in July.

Under miscellaneous revenue the fire department historically makes fifty percent profit fighting state and federal fires. The Town is reimbursed for use of employees, equipment, and per diem. Firefighters sent to these fires must be appropriately certified. The downside is that the federal reimbursement is often significantly delayed.

Council Steve Erhart inquired as to whether the Town has an incentive to have employees voluntarily leave their employment.

#### **ITEM #4: ADJOURNMENT**

Councilor Steve Erhart moved to adjourn the meeting at 7:05 p.m. Councilor Dustin Sanders seconded; all were in favor and the meeting adjourned.

Attest: \_\_\_\_\_

Mayor: \_\_\_\_\_

Council Work Session  
April 7, 2009

Vice-mayor: \_\_\_\_\_

Council: \_\_\_\_\_

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CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes are true and correct copy of the minutes of the work session of the Town of Eagar, Arizona held on the April 7, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

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Eva M. Wilson, Town Clerk