

**MINUTES  
EAGAR TOWN COUNCIL  
WORK SESSION  
22 W. 2<sup>nd</sup> St., Eagar, AZ  
April 21, 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  
                                 Dustin Sanders  
                                 Byron Smith  
                                 Gary Finch  
                                 Guy Phelps  
                                 Steve Erhart

STAFF PRESENT:         Bill Greenwood, Town Manager  
                                 Bruce Ray, Director of Community Development  
                                 Katie Wood, Finance Administrator  
                                 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

Town Manager Bill Greenwood suggested that the Town draw down on the WIFA loans in the amount of \$270,000 to finish the Spanish Trail and River Road water line projects as was originally planned approximately two years ago. These projects will last six to eight weeks each, with a crew of six employees.

There is a second scenario that will draw down on additional new funds for other planned projects with an estimated annual debt service of \$48,425. Other planned projects include sewer line extensions on Le Sueur Drive, 4<sup>th</sup> Street and River Road, and 26 Bar area. Burk Street is in need of larger water lines.

Mr. Greenwood recommends that the Town plan for the completion of the Spanish Trail and River Road water line projects. This will serve two purposes: Complete these two needed projects; and keep experienced, skilled staff to replace sewer lines on Brown and Hamblin Streets for the CDBG project in 2011. If the WIFA loans are not drawn down any further, the Town may have to layoff three to six employees, mainly from the public works department. Even with the first scenario, the Town may still have to layoff one or two employees.

Councilor Steve Erhart stated that he liked the proposed WIFA project but that the loan should not be used to balance the budget or to save the Town from layoffs if that is what is necessary. Vice-Mayor James Nelson stated that if layoffs are necessary, that they begin now and not further into the fiscal year. Councilor Byron Smith agreed, and stated that the WIFA money is a loan, not a revenue stream for the Town. There are projects that need to be completed, but does the Town want to incur more debt to complete the projects and to maintain the current manpower.

Bob Taylor of the Forest Service has approached Mr. Greenwood with a possible grant award. The Forest Service is receiving stimulus money, and one of the projects they want to complete is the Water Canyon water line. They would like to grant Eagar the project. This is a "shovel ready project" and the Forest Service would like the project started in May 2009 and complete the project in the next fiscal year. It is unknown how they will distribute the funding. Mr. Greenwood will keep the Council informed when more information is available.

Eagar employee, Frank McLaughlin asked if the Forest Service would require Davis-Bacon wages, as this is a federal project. This may not be necessary if this is a grant and not a contracted job.

Vice-Mayor James Nelson stated that fiscal year 2009/2010 balanced budgets have been presented by the administration. The Town cannot sit idle; he suggests that the Town continue with the 10-year plan, and if future years are just as bad he has the confidence with the Town staff now to deal with it.

When Public Works crews are working on capital improvement projects, the maintenance type projects fall behind. However, when the crews are in between projects, this is when they catch up on maintenance.

Whatever the Council may decide, WIFA administration wants a commitment. The Town has until 2011 to draw down the entire amount of the loan in the amount of \$1,927,0900. Mr. Greenwood and Katie Wood are confident that WIFA will continue to work with the Town if problems with the loan persist.

Mr. Greenwood recommends that the Town continue with Scenario 1, with the Town drawing down on the WIFA loan to start and complete the Spanish Trail and River Road water line projects. The Town can draw down on the WIFA loan as needed for the projects.

The Council would like the administration to come up with a plan to correct the Facilities deficit, and to let the employees know that layoffs are still possible.

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

Councilor Steve Erhart moved to adjourn the meeting at 6:55 p.m. Seconded by Vice-Mayor James Nelson; all were in favor, and the meeting adjourned.

Council Work Session  
April 21, 2009

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

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

Vice-Mayor: \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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 April 21, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
Eva M. Wilson, Town Clerk