

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND CITY
COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THE 5TH DAY OF MAY 2008**

CALL TO ORDER-Mayor Elwood A. Johnson called the budget work session to order on Monday, May 5, 2008 at 5:32 p.m.

ROLL CALL-Mayor announced for the Clerk to note all present except for Vice Mayor and Councilman Stratton.

PRESENT

Mayor Elwood A. Johnson
Councilman Phil Stratton-5:41 p.m. arrived
Councilman Jimmy Norris
Councilwoman Monika Cronberg
Councilman Larry Schultz
Councilman Gerald Lindsey

STAFF

City Manager Michael Leighton
City Attorney Hector M. Figueroa
City Clerk Cristina G. Whelan, CMC
Library Director Tom Miner
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner
Chief Jake Weaver-6:04 p.m.

ABSENT

Vice Mayor Phillip Rodriguez

OTHERS PRESENT

Stephen Klump Kathy Smith Jeff Stoddard
Arizona Range News-Carol Broeder

PLEDGE OF ALLEGIANCE-Mayor Johnson.

CALL TO THE PUBLIC- City Manager Michael Leighton announced requesting to have a special meeting on Thursday, May 8., 2008 at 5:00 p.m. on 2-grant committee finding grants available and resolution. The other item would be continuation of budget work session. It will begin at 5:30 p.m.

DECLARATION ON CONFLICT OF INTEREST-There was no response from the Mayor, Council members or staff.

ADOPTION OF THE AGENDA –

MOTION: Councilman Schultz moved to adopt the agenda as presented.

SECONDED: Councilwoman Cronberg seconded the motion. **CARRIED**

PRESENTATION/DISCUSSION REGARDING GAS RATE STUDY BY PAT WALKER FROM RED OAK CONSULTING

City Manager Leighton reported we have contracted with Red Oak Consulting and Ms. Pat Walker is here tonight to do presentation and give us information on what our rates ought to be for future construction on gas and what our rates should be for gas utility. Ms. Walker comes with lots of experience and worked for the City of Chandler for several years as their Management Services Director. Ms. Walker presented a Power Point presentation. They are recommending Alternative 2 Offer Financial Services and other i.e. water, sewer, and gas studies. Replacement of Gas Regulator Station options "Pay as you go" because Bonds expensive but plan does not include replacement. Everything tonight it is a pass through costs to customer. Another reason we are keeping \$600,000 in Reserve account because we need to keep money in reserve for a major problem. Gas Regulator Station put the cost "out of sight". Ms. Walker stated if have big enough user El Paso or MuniGas might be interested in Gas Regulator and come to the table as an alternative in the future. Thinks Alternative 2 with her finance background understands the Reserves issue. Ease of administration would be understandable by the customers and rate increase of 4% is very small.

DISCUSSION REGARDING FISCAL YEAR 2008-2009 COUNCIL VISION AND DIRECTION FOR THE CITY OF WILLCOX

Finance Director Graham handed out preliminary budget numbers we started with. Tonight look at General Fund Revenues and Highway Users.

Discussion held regarding:

- Community Programs and asked what does the Mayor and Council want to see.
- Projected Revenues are down 2007-08 modified and current is down \$1M. Big part is to fund things out of savings which we have not used. This is just General Fund and does not include HURF either.

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND CITY
COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THE 5TH DAY OF MAY 2008**

- HURF going down \$300,000 between current and next budget year and 11% revenue decline.
- Need to leave room in the budget for Contingency in the event something comes up we have funding.
- City Sales Tax \$1M moved over to Streets.
- We need to get another project to support our taxes we will not do as well and following year we will be even leaner.
- Tourism is the biggest generator of funds besides construction.
- Tonight staff wants to hear from the Mayor and Council what they have in mind and incorporate.
- Budget and make sure complete projects such as slab for Skate Park; lights at tennis court; remodel Library; Justice Center, additional funds for Railroad Park.; line item for Economic Development i.e. Tourism, Recruitment, loaning businesses money several things and pay for various Economic Development Studies that may or may not be required.
- Retail Sales Study to show what retail they should be going after.
- Golf Club House does not include what Golf Course raised; Quail Park showers; portable pens; upgrade restrooms/showers and Tennis Courts.
- \$100,000 grant matching for the Community Center came in over \$70,000 more and we have \$60,000 and \$40,000 for Senior Center if Federal Grant comes in. Airport comes in \$22,000.
- Staff recommends not definite items and need priority list if something does come up which goes first. If City accepts monies need to move forward with that project. If we make commitment then put it in the budget or we need to have a good reason not to do it and we have to tell people why you are not going to do it.
- Senior Center is needed and feedback received from is that they need Activity Center and not necessarily a Senior Center.
- Different departments including the Chamber of Commerce what are your priorities on growth and better needs for the City. Once project is set, prioritize, with guide line and time line and funding sources and do it. If do not have money are we going to take money from where.

DISCUSSION REGARDING FUNDING FOR ECONOMIC DEVELOPMENT

City Manager Leighton stated we covered this above and will bring it back at the budget work session on May 8th.

ADJOURN

There being no further business before the Mayor and Council, Mayor Johnson adjourned the meeting at 6:51 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the work session meeting of the City Council of the City of Willcox held on the 5th day of May 2008. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 5th day of May 2008

/s/ Cristina G. Whelan, CMC
City Clerk Cristina G. Whelan, CMC

PASSED, APPROVED AND ADOPTED this 19TH day of MAY 2008.

/S/ ELWOOD A. JOHNSON
MAYOR ELWOOD A. JOHNSON

ATTEST:

/s/ Cristina G. Whelan, CMC
City Clerk Cristina G. Whelan, CMC