

**CITY OF WILLCOX
MAYOR AND CITY COUNCIL
WORK SESSION MEETING AGENDA
2008/09 BUDGET WORK SESSION**

Statement of Legal Actions

Monday, June 2, 2008

5:30 P.M.

City Council Chambers

207 W. Maley

Willcox, AZ

Meeting room Court still under deliberation posted and moved to City Hall, 101 S. Railroad Avenue, Suite B

**(Mayor or Designee will read only BOLD print of each agenda item,
except for Public Hearings, Petitions and Communications.)**

1. **CALL TO ORDER**-Mayor Elwood A. Johnson called the work session budget meeting to order on Monday, June 02, 2008 at 5:30 p.m.

2. **ROLL CALL**-Mayor Johnson announced all present except for Councilman Donahue.

PRESENT

Mayor Elwood A. Johnson
Councilman Jimmy Norris
Councilwoman Monika Cronberg
Councilman Larry Schultz
Councilman Gerald Lindsey
Councilman Stephen Klump

STAFF

City Manager Michael Leighton
City Attorney Hector M. Figueroa
City Clerk Cristina G. Whelan, CMC
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner

OTHERS PRESENT

Jeff Stoddard Lupe Perez Linda Stoddard

ABSENT

Councilman Christopher Donahue

3. **PLEDGE OF ALLEGIANCE**-Mayor Johnson.

4. **ADOPTION OF THE AGENDA**-It was moved and seconded to adopt the agenda as presented. **CARRIED.**

5. **DISCUSSION REGARDING THE FISCAL YEAR 2008/09 UTILITIES BUDGET**

Utilities budget for FY 2008-2009 was discussed by the Mayor and Council and by Public Services & Works Director Bonner, Finance Director Graham, City Manager Leighton, Utilities Supervisor Perez, Administration Assistant Stoddard and Code Enforcement Stoddard on the following:

- Utilities fees schedule is based on old structure which has more to do with usage instead number of services and operation costs and a flat fee. Most new housing is going all electric and that cost will be going up although home owners insurance prefers you not to have gas.
- Revenue total is \$1.4 million.
- MuniGas is giving us discounts for future use.
- Gas regulator intent put in new line if we can find funding source. Without new users it would not be reasonable because cost would be too high for customers. If we do it we will have to borrow the funds unless we find a grant.
- Pressure drops during winter and staff is not sure it can handle another really cold winter because of the stress it

causes to the equipment. Cost is now \$2.5 Million and money budgeted 2-years ago was put back into the budget as a place holder and can be used if needed.

- Salaries: Supervisor and Administrative Assistant have been divided into all three (3) utilities not just all in Gas. Includes Supervisor's payout when he retires in November 2008. Training replacement has not started.
- Capital Improvements \$66,000 of which \$45,000 is needed for replacement for 3,800' of steel gas lines.
- Capital Purchase is \$43,000 for dup truck and it is a carry over and looking at State Auction next May. Forklift included and payment is split by 4-utilities including streets.
- Charge to Administration \$132,000 and same for 3-years and staff will change that to \$140,000.
- Gas Purchases is a pass through number, cost is higher and volume lower. Gone from \$7 to \$12 and very difficult to predict.
- Water: \$823,719 to get water line to the Tinney Property between Joe Hines Road and Ft. Grant Road off of Margarite and we would need IGA with Cochise County to do that.
- Capital Improvements \$411,000 biggest is loop Ft. Grant and Quail Drive to Airport Road and East toward City limits and tying onto West of Ironwood. To bore under I-10 cost \$100,000. Developers will be asked to cover some of this cost. Staff has talked about borrowing a few hundred thousand and not millions and looking for funding.
- Consider asking VTC if need lines under I-10 to help cut our costs because we need a 32" bore. With this new line we will have 2-water lines under I-10.
- Water meter replacement \$85,000 for 500 meters. This year replaced 230-250 meters.
- Capital Purchases need Dump Truck with cost divided into all utilities and need \$6,000 for Utility Truck and that too divided equally to haul material around town or a ¾ T economical 4-wheel, V8/360 hp would work.
- Small Equipment \$7,000 should be Finance and not Utility Administration
- New Service Installation \$10,000.
- Sewer Fund Revenues \$676,580 or \$747,071 total.
- There are no sewer penalty fees all fees are in Gas.
- OSHA Violations to water quality at Golf Course and Cochise Lake and reuse violations. Reuse Permit from ADEQ working on over a year, takes a lot of time, and worse case is we will have to revamp entire sewer facility or \$10-15-20 Million. WIFA Grant received for \$35,000 for engineer and ADEQ put us at the top for these monies. Three agencies came and are willing to help us.
- Capital Improvements need to happen. New facility an going to take some time to get engineer to say what we need to do and there will be some internal things we have to do.
- Once budget is set we can not go over. We may have to find the money and worse case is we will have to raise rates and borrow money.
- Refuse there has been 3-rate increases at 2.5% and another increase aftr this year. On July 1 the landfill costs going up by \$1/Ton. Another contractor will not use Cochise County Landfill and we can not use their services.

The total final budget for the City is \$20,552,019 at this time. Final budget reports will have text and descriptive wording to make it readable.

6. ADJOURN- 6:46 p.m.

NOTE: People with disabilities may request reasonable accommodations. Requests must be made 48 hours prior to the meeting by contacting City Hall at 384-4271, ext. 4204, during regular business hours 8:00 a.m. to 4:30 p.m., Monday through Friday.