

**TOWN OF KEARNY
SPECIAL MEETING MINUTES**

**A SPECIAL MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEARNY,
ARIZONA, AT THE KEARNY TOWN HALL LOCATED AT 912-C TILBURY DRIVE ON
MONDAY, JUNE 26, 2017, AT 4:30 P.M.**

COUNCILMEMBERS PRESENT

Mayor	Debra Sommers
Vice Mayor	Daniel Radcliffe
Councilmember	Rose Bradford
Councilmember	Nancy Hinojos
Councilmember	Samantha Misita (Telephonically)
Councilmember	Sheila Stephenson

TOWN STAFF PRESENT

Town Manager	Anna Flores
Town Clerk	Cathy Woolery

VISITORS PRESENT

Edna Lawrence	Diana Herrick
Carol Lewis	Ron Buckley
Gwen Dinwiddie	Neil Wells
Pat Walker	

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Sommers called the meeting to order at 4:30 p.m. followed by the Pledge of Allegiance.

ROLL CALL

Mayor Sommers requested Town Clerk, Cathy Woolery, to call the roll. Quorum was present.

PUBLIC HEARING

Mayor Sommers announced the public hearing for the Final Proposed Budget for 2017-2018 Fiscal Year and Property Tax Levy and Resolution adopting Fiscal Year 2017-18. She introduced Pat Walker, of Pat Walker Consulting LLC, for the presentation. Pat explained she had covered the budget in the last meeting and has provided the answers to all the questions the Council had. She also reiterated that the ceiling is set for the budget, but they can adjust and move things around in different line items as these are just projections. She also stated that the amount of savings is still dwindling that the Town has. Total budget is \$6,563,173 for Fiscal Year 2017-2018 which is a 9.7% increase. Majority of the increase is in the HURF, Ambulance Fund, and General Fund. She explained that the Transportation Excise Tax funds were used last year. Also, there is a new law that states it needs to be used and if not may have to pay it back within 10 years. So, it is important to use Transportation Excise Tax first and HURF next which is what Kearny has done. Overall, the Ambulance Fund is showing a significant budget increase due to possible three new positions if the casino will agree to a reimbursement. Those positions will not be filled until there is a contract with the casino. Also, the General Fund has increases of \$10K for command vehicle for fire department and \$28K for turnout equipment; \$30K for public safety and Constitution Hall roofs, and 1 to 2% increase in operating expenditures with a 2% increase in employee wages. Pat addressed the questions that Council had from the prior budget discussion on June 5, 2017. The sales tax questions can be answered by the tax rate

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tables she provided to the Council. She explained residential sales tax cannot be raised, but raising other sales taxes by 1% would result in approximately \$170K. This cannot be discussed or raised until after August 5, 2017 due to 60 day posting requirement. The sanitation budget will include \$12,960 a year for sanitation transfer station costs. The LTAF will be funded in the General Fund public works/streets line item as part of the contingency reserve and will reduce the contingency by \$8,500. There are approximately 4 trips per month with 5 to 10 riders per trip. As of May 2017, \$6,640.47 has been expended in the LTAF. It is anticipated the entire budget will be spent in this FY17. This is a policy decision of the Council to discuss and decide if they want to put a fee in place or not for this service. Capital outlay item in HURF is an expenditure for slurry sealing materials and street repair and maintenance which the auditors capitalized. Also, the majority of street and maintenance repairs were done with the Transportation Excise Tax Fund and not HURF this past year. Public Safety Retirement System questions were discussed with PSPRS, and it was confirmed that employer contribution for existing officers is 74.13% of wages; if employee leaves Kearny and hired by another PSPRS employer the Town is not responsible for that retirement; if a police officer retired in PSPRS and was hired by the Town then the Town would pay ALT (alternative contribution rate) of 57.86% to PSPRS with no liability to Town and 11.50% to ASRS with liability to the Town when they are vested in ASRS; Tier 3 employee costs to Town after July 1, 2017 will be around 10% for employer contribution but still not finalized by PSPRS; if an officer is hired from another jurisdiction and was vested in PSPRS the Town would assume the retirement liability; if an officer was employed by Kearny, left, and went to another PSPRS participating agency the new agency would assume the retirement liability. Next, Pat explained that fire calls line item is the Volunteer Fire Department charging \$500 per month for operational supplies, and the Fire Chief will provide further information regarding this. This is another policy issue that Council may want to look at. Pat explained that vehicle replacement for the public works/parks department will be looked at for an option for next year budget as the vehicle maintenance cost is still relatively low for the vehicles. Anna Flores received information from the Town mechanic who says the maintenance is less than \$1,000. This should be looked at every year. Public works/streets expenditures had invoice of \$510 for street sweeping and a miscode of \$313 for fire extinguisher inspections which will be recoded properly. The magistrate department audit and accounting line item expenditures are due to the auditor fees distributed between all departments, and membership books and dues expenditures include subscription for Thomson West legal publications. Office supplies are higher due to having to purchase a new computer and laser printer from the Arizona Supreme Court. The library also has audit and accounting expenditures due to the audit services being distributed to each department. Police dispatch uniforms is for a quarterly uniform payment of \$50 to each full-time dispatcher for uniform allowance. Also addressed where the indirect cost allocations for HURF which is based on 8% formula. The Town may want to relook at indirect cost allocations for the HURF and the Enterprise Funds. There is no law or statute that states you cannot transfer what amount you want; however, you want your Enterprise Funds to be self-supporting funds. Pat also talked about possibly having a replacement line item for equipment that needs repairs in both water and sewer funds, and putting money aside for that. This is something that would need to be built into the water and sewer rates. Lastly, health insurance rates are something the Council wanted to look at further and review for cost savings and the distribution between employee and employer costs. This can be looked at in October 2017. Mayor Sommers asked if the public or the Council had any questions. Councilmember Misita asked if this is the point for discussion of the amounts that are in the budget. Pat Walker expressed that this is the time to talk about expenditures within the departments, but there is nothing stopping the Council from moving things around within departments once the budget is adopted. It just takes Council action to do that with the individual departmental expenditures. Councilmember Misita asked specifically about the senior van

expenditures. Mayor Sommers explained that there will be a work session on that, but for now it will be in the budget so can have the option of using that. The work session date has not been set yet. Pat Walker explained that the budget year starts July 1, 2017 and the van program will continue every month after that until the Council decides otherwise and to determine what they want to do. Mayor Sommers stated they will try to set the work session fairly soon to figure out what to do with the van and the transfer station. Mayor Sommers asked if there was any other discussion. She announced the public hearing is closed since there is no other discussion.

ADJOURNMENT OF PUBLIC HEARING

Motion by Councilmember Stephenson, **second** by Vice Mayor Radcliffe to adjourn. **Vote** – All members voted in favor. **MOTION PASSED.** Public Hearing was adjourned at 5:10 p.m.

Mayor Sommers announced the start of the Special Meeting.

APPROVAL OF MINUTES

Motion by Councilmember Bradford, **second** by Councilmember Stephenson to approve the minutes from the May 3, 2017 Special Meeting and the May 15, 2017 Regular Meeting. **Vote** - All members voted in favor. **MOTION PASSED.**

APPROVAL OF 2017/18 FINAL PROPOSED BUDGET FOR 2017-2018 FISCAL YEAR AND PROPERTY TAX LEVY AND RESOLUTION ADOPTING FISCAL YEAR 2017-2018 BUDGET AMOUNT OF \$6,563,173

Pat Walker mentioned the property tax levy was lowered to \$2.2209 which was decided by Council at the previous budget discussion. This is included in the budget at that rate. She expressed that the actual property tax for resident owners will go down, so Council needs to take credit for that. The Town may have to look at raising taxes next year, but credit is due to the Council for lowering the rate this year.

Motion by Councilmember Stephenson, **second** by Councilmember Hinojos to approve the 2017/18 Final Budget for fiscal year 2017-2018 and Property Tax Levy and Resolution adopting fiscal year 2017-18 budget of \$6,563,173. **Vote** - All members voted in favor. **MOTION PASSED.**

REPORTS

Mayor Sommers asked if there is any discussion on reports. No discussion.

Motion by Vice Mayor Radcliffe, **second** by Councilmember Bradford to approve the reports. **Vote** - All members voted in favor. **MOTION PASSED.**

EXECUTIVE SESSION

Motion by Councilmember Bradford, **second** by Vice Mayor Radcliffe to enter into executive session for 30 minutes. **Vote** - All members voted in favor. **MOTION PASSED.**

REGULAR SESSION

Regular session reconvened at 5:45 p.m.

DISCUSSION OF POLICE CHIEF POSITION/INSTRUCT TOWN MANAGER AND/OR LEGAL COUNSEL TO PROCED AS DIRECTED IN EXECUTIVE SESSION

Mayor Sommers asked the Council for any further discussion and will entertain a motion.

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Motion by Councilmember Stephenson, **second** by Councilmember Hinojos to instruct the Town Manager to proceed as directed in executive session. **Vote** - All members voted in favor. **MOTION PASSED.**

ADJOURNMENT

Motion by Councilmember Stephenson, **second** by Councilmember Bradford to adjourn. **Vote** – All members voted in favor. **MOTION PASSED.** Meeting was adjourned at 5:48 p.m.

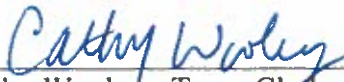


Debra Sommers, Mayor



Anna Flores, Town Manager

ATTEST:

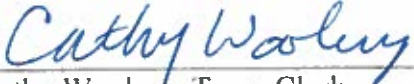


Cathy Wooley, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Town Council of the Town of Kearny held on the 26th day of June, 2017. I further certify that the meeting was duly called and that a quorum was present.

Dated this 26th day of June, 2017


Cathy Woolery, Town Clerk