

**MINUTES OF THE WORK SESSION
OF THE HONORABLE TOWN COUNCIL
OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA,
HELD ON THURSDAY, FEBRUARY 20, 2020
IN THE TOWN COUNCIL CHAMBERS LOCATED AT
325 W. WHITE MOUNTAIN BOULEVARD, LAKESIDE, AZ 85929**

A. Call to Order

Mayor Irwin called the meeting to order at 5:04 p.m.

➤ **Roll Call**

The following Council Members were present:

Stephanie Irwin	Mayor
Jerry Smith	Vice Mayor
Kathy Dahnk	Council Member
Carla Bowen	Council Member
Jim Snitzer	Council Member
Mazie Hastings	Council Member
Lynn Krigbaum	Council Member

Also, Present:

Keith Johnson	Town Manager
Kevin Rodolph	Finance Director
Jill Akins	Town Clerk
Matt Patterson	Public Works Director
Cody Blake	Community Development Director
Tony Alba	Community Services Manager

➤ **Review and Discussion regarding the Collection Center and Trash Service**

Public Works Director Matt Patterson said that he would be providing an update on the Collection Center and the overall net loss that the Collection Center has had. He said there is approximately a \$27,000.00 net loss for the Collection Center. He said that the overall income is \$61,305.31.

Councilmember Bowen said that if credit cards are being accepted, they cost between 3-4 % charge and this could be causing the discrepancy on the income versus expenses.

Director Patterson said that the future of the Collection Center needs to be discussed and said that he believes this is the most important conversation to have. In the months of September and October the center broke even, but overall there were not many months that broke even, and most took a loss. He said that he believes that the fees need to be increased on the solid waste to make it balance. He said he would figure out the percentages to increase the fees by and present to the Council at a later time.

In response to Mayor Irwin, Director Patterson said that he is considering raising the solid waste fees only and not the recycle fees, because he is afraid that people would not use the recycling if the fees are raised. He said solid waste brought in \$40,000.00 and the expenses were only \$20,000.00, but when the overhead is taken into account it makes the fund \$23,000.00 negative.

Finance Director Kevin Rodolph said that there are direct expenses that do not include all of the overhead, for example, salary, fuel and the loan. (The direct expenses include what is paid for tipping fees.)

Town Manager Keith Johnson explained that those fees go to Blue Hills and Dirty Deeds Green Waste. He said Dirty Deeds will go away because an arrangement has been made with Novo BioPower to take our green waste if we haul it to them. There is a possibility that they may pay us for wood, but it has to meet certain criteria.

Director Patterson said that September and October had over one-thousand people each month at the Collection Center and over five-thousand people from opening in July 2019 through December 2019.

Mayor Irwin said that we knew going in that it would take a while to get the Collection Center going and said that the more education there is regarding the center will help.

Vice Mayor Smith said he feels the volume will start increasing and said that a lot of people that he talks too do not know that we take regular trash, and that they still have weekly trash service. He feels people would save money by taking their trash to the Collection Center. He feels that advertising and education would help the Center.

Director Patterson said that a post card would be mailed out this month to all residences in the 85935 and 85929 zip codes. He said that Navajo County would like to sponsor a hazardous household clean-up for a week at the Collection Center.

Vice Mayor Smith said that there may be some price sensitivity on the cost for solid waste and he would like the fees to stay where they are and take the loss. He said it is such a big deal for the Town and the people and is getting some good press from the people that know about it and use the Center. He said he would like to keep the rates the same and see what the volume does to help break even and getting more people to use the Collection Center, especially the solid waste.

Director Patterson said that it is a slow time of year right now and that the Collection Center opened at the end of summer. He said there were five-hundred-and eighty-people during December 2019 and said that when spring arrives there will be a huge increase and could bring us back to a zero balance.

Councilmember Krigbaum said that the Fire Department takes their green waste to Dirty Deeds Green Waste and would like to know if the Collection Center would be able to receive the green waste.

Director Patterson said he would check with Fire Chief Jim Morgan regarding this.

Councilmember Bowen said she is not in favor of taking the \$27,000.00 loss, even if it is off season, and said that she looks at that \$27,000.00 and how much of that would help pay for the Police Department. She said she is not in favor of the Town writing off money like that.

Mayor Irwin said we can wait a little bit longer before we raise the fees but said the General Fund cannot subsidize the Center. She said that this is an enterprise fund

and it is supposed to break even and be self-supporting. She said granted this is the first year, and said it is good that we are having this conversation before it gets out of control.

Councilmember Bowen agreed that there has to be a good fiscal year run at it, but if it appears that we are always having to shift to do this, then do that, it would come to a point where we have to agree that government is not as efficient at running things as it would be to contract with a private company to do it. She said that she is not in favor of writing off \$27,000.00.

Vice Mayor Smith said his point was to give it more time and if things do not happen to start increasing the income in another year or so, then the fees will have to be raised to try and make it break even.

Director Patterson said that he would like to look at increasing a couple of fees across the board, for example, the asphalt shingles. He said that he has realized that the fees charged for the shingles have hurt this year, that they have not charged enough and said that could have been a big part of the loss. He said that he thought he had the fees high enough for the weight but said that he is not so sure now that he did. He said he would look into the fees charged for construction debris also, because they are starting to see a lot more contractors coming to the Center because it is too far for them to drive to Lone Pine Dam and our Center is much faster and more convenient.

Director Patterson said that there is always the option of expanding our service to help cover this. He said he and Town Manager Johnson had been discussing the possibility of doing curbside waste. He said he would like to provide two different size cans for residents. He feels that the senior citizens in Town would like the option of having a smaller trash can. He said that this would be a long-term approach to resolving this issue. He said they would also be able to provide bulk clean-up like Show Low provides.

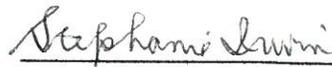
Councilmember Bowen said that Show Low has a larger budget and utilities and that it is like comparing apples to oranges. She said she is not in agreement with the government taking over something that a private company gives service too and is doing a good job with.

In response to Councilmember Snitzer, Director Patterson said the loss is from July 2019 through January 2020.

Councilmember Snitzer said that this is a start-up business and that a lot of the summer people were missed or were not used to it. He said we can probably expect to lose money in the winter but said that he does not know yet if we will not make money in the summer.

Mayor Irwin thank Director Patterson for bringing this to the Council’s attention but stated that the Town cannot continue to bleed this kind of money. She asked Director Patterson to investigate raising the rates.

There being no further business at this time, the meeting was adjourned at approximately 5:36 p.m.



Stephanie Irwin
Mayor

ATTEST:


Jill Akins, CMC
Town Clerk



CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session meeting of the Town Council of Town of Pinetop-Lakeside, Arizona, held on the 20th day of February 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 20th day of February 2020.


Jill Akins, CMC
Town Clerk

