

**MINUTES OF THE WORK SESSION  
OF THE HONORABLE TOWN COUNCIL  
OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA,  
HELD ON TUESDAY, JULY 7, 2020  
IN THE TOWN COUNCIL CHAMBERS LOCATED AT  
325 W. WHITE MOUNTAIN BOULEVARD, LAKESIDE, AZ 85929**

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**A. Call to Order**

Mayor Irwin called the work session to order at 9:00 a.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
Dan Barnes	Police Chief
Matt Patterson	Public Works Director
Clarissa Bilbie	Accounting

**1. Presentation and Discussion of Fiscal Year 2020/2021 Budget.**

Finance Director Rodolph reviewed the Budget Worksheet Summary for 2020-2021. He explained that the General Fund should end this year with \$364,500.00 and the projection for the ending cash for 6-30-2021 is estimated to be \$600,324.00. He said that the \$513,000.00 received from the CARES Act made a huge difference. He said that the Public Works Streets Fund estimated ending cash for 6-30-2021 will be

\$32,183.00; Ad & Promo estimated ending cash for 6-30-2021 will be \$9,360.00; Parks estimated ending cash for 6-30-2021 will be \$149,602.00; DIF fund currently has a balance of \$182,745.00; Solid Waste estimated ending cash for 6-30-2021 will be \$1,174.00. He explained that if everything goes well by the end of the fiscal year 2021 there should be \$836,643.00 cash.

Director Rodolph explained that the Budget Summary Funds Comparison for 2020-2021 shows that the Police Department increased due to the PSPRS rates at 74%; Fleet Maintenance is a new department for 2021 and \$187,056 is the anticipated budget; Town Manager budget decreased by \$44,865 and the Town Council budget decreased by \$11,930.00

Director Rodolph stated the following revenue projections for FY2020-2021 from some of the funds: State Sales Tax \$405,122.00; State Income Tax \$638,683.00; Local Sales Tax \$3,000,000.00 with a contingency built in of \$600,000.00; Auto Lieu Tax \$270,500.00; Franchise Taxes \$240,000.00; Building & Sign Permits \$115,000.00; AZ Cares Funding \$513,000.00. He said that the Blue Ridge School Resource Officer is budgeted for \$100,000.00 and said that they are hoping to fill that position. The school has a grant that would fund \$121,000.00 a year for three years.

Director Rodolph said that fund 19 is the Capital Projects at \$412,433.00; fund 21 is Streets and HURF at \$1,790,000.00.

In response to Councilmember Krigbaum, Director Rodolph said that AZ Dema Funding of \$350,000.00 is the amount the Town received from the 100 year flood that happened in August of 2019.

Director Rodolph said that fund 22 is the Collection Center and said that they are estimating \$200,000.00 in tipping fees revenue. He said that he will be removing fund 23 which is an old CDBG fund. Fund 24 is the Grants fund and they are budgeting a projected revenue of \$3,046,730.00 and will eventually be assigned to specific line items if the grants are received. He said that fund 25 is the Advertising and Promotion fund and the anticipated revenue is \$211,500.00 with a carryforward of \$70,000.00. Fund 26 is the acquisition and development fund with a carryforward of \$44,000.00. He said that fund 29 in the parks fund and estimate \$961,500.00 and the last fund is the DIF fund in fund 30 at \$182,745.00.

Director Rodolph explained that the Town Clerk budget salary and wages and employee benefits is less than last fiscal year.

In response to Councilmember Krigbaum, Director Rodolph said that 10-5022 Advertising covers Town wide advertising, for example public hearing notices, job vacancies, election ads, etc.

In response to Mayor Irwin, Town Manager Johnson explained that because of the timing the referendum would have to be held as a special election and a mail in ballot only.

Director Rodolph said that the election budget will be reviewed and possible increased to \$15,000.00.

Director Rodolph said that the finance department budget has a decreased a little bit and is \$270,100.00. He said that the Community Development budget is \$118,810.00. The Magistrate Court has the same budget as last year at \$77,500.00. He said that the Police Department has a budget of \$2,547,860.00.

Chief Dan Barnes said that he would like to increase 10-5648 Special Department Supplies by \$3,000.00 to \$5,000.00 due to technology changing rapidly and he wants to make sure that all of the technology in the vehicles is adequate. He said that this includes computers in the vehicles, repair and ticketing.

Town Manager Johnson said to increase this line item by \$5,000.00.

Mayor Irwin said that she wants to make sure that all of the officers have the adequate training needed during this time with all of the unrest.

Chief Barnes said that there is a lot of online training and that he forwards to his staff. He said most training is currently online and class trainings have been cancelled.

Councilmember Bowen asked if there is a contingency fund for the new building for the Police Department.

Director Rodolph said that yes there is and it is in the facilities budget for \$150,000.00.

In response to Councilmember Bowen, Director Matt Patterson said that amount will be enough to install the building but not enough to get it completely functional.

Councilmember Bowen asked if some of the funds from the CARES Act could be used to get the police building up and functional.

Director Patterson said that part of the issue is that eighteen feet of soil has to be removed at the site and he said that the \$150,000.00 will be enough to remove the soil, get the plans done and put the soil back in to be ready to build. He said he can not do any more than that until a contractor is hired next year.

Councilmember Bowen said there is \$150,000.00 and last year there was \$60,000.00 set aside for the building so there should be \$210,000.00.

Town Manager Johnson said that the \$60,000.00 went towards the purchase of the building and said that there is not a carry over of the \$60,000.00.

Councilmember Bowen said that she thought the building was \$27,000.00.

Director Patterson said that is correct but said there is not a carry forward and said that the utilities have to go in, and once the building goes up it will be under the new fire requirement which requires a bigger water line. He said that the generator will also have to be relocated to the other side of the building which will require relocating the telephone poles to the other side of the building. He said that they will apply for a grant for the generator. He explained that parts are no longer available for the generator the Police Department currently has. He said that in the next year he would like to get the water line done, get the dirt removed and put back in and hopefully get the slab poured.

In response to Councilmember Bowen, Director Rodolph said there are two choices to increase the funds for the building, leave the revenue the way it is or the contingency revenue line item could be increased.

Councilmember Bowen said she would like to increase it and said that she wants the Police Department taken care of. She said that they have been pushed back long enough and we need to be very aggressive and progressive to get them taken care of.

Director Rodolph said that General Services are services that generally apply Town wide and not a specific department. He said that in line item 10-5752 Contingency – General that \$6,000.00 was allocated to the Senior Center with \$2,000.00 as a contingency.

Councilmember Bowen said she that it was discussed and decided to do \$6,000.00 at the max.

Mayor Irwin said that there was \$8,000.00 and said that she was hoping there could be a compromise on the amount for \$6,000.00 with a contingency for the \$2,000.00.

Vice Mayor Smith said he agreed with the suggested compromise.

Councilmember Bowen said that she does not agree.

In response to Mayor Irwin, Director Rodolph explained that contingency funds can be used on the approval of the Town Council or just by he and the Town Manager deciding.

Mayor Irwin said that a priority list needs to be put into place and said that the PD building needs to be a high priority and then raises for the employees.

Councilmember Bowen said that she agrees with both of those priorities.

Director Rodolph said that a list can be made of all the contingent items and bring before the Council.

Director Patterson asked if this was for all of the contingencies or just for the general fund? He said that HURF is restricted and said that there are quite a few contingencies in this fund.

Mayor Irwin said just for the general fund.

Councilmember Snitzer suggested prioritizing items in high, medium and low.

Mayor Irwin said that is probably more efficient.

Director Rodolph said there are not that many contingencies in the general fund.

Mayor Irwin returned to the Senior Center funding and said that right now there is \$6,000.00 and \$2,000.00 in contingency and said she is hearing discussion to have it as \$4,000.00 and \$4,000.00 in contingency.

Councilmember Hastings said that the Senior Center is one of her passions and said that they are on their feet. She said that they had a fundraising event that drew a

small crowd but a very generous crowd. She said that \$20,000.00 in grants was received and they are continuing to work hard. She said that they are counting on the \$6,000.00 but not the contingency of \$2,000.00.

Councilmember Bowen said how many non-profits could we give money too and why are we singling out one where there are fifteen more out there. She said that if we had the money it would be different, but said we have a struggling Police Department and said she just does not believe in giving to non-profits. She said they are non-profit because they are supposed to maintain themselves and stated she is not in favor of giving money to non-profits.

In response to Councilmember Hastings, Mayor Irwin said that the Humane Society is being paid for services.

Councilmember Hastings said the Senior Center feeds seniors.

Councilmember Bowen said there are a lot of needy people and at some point a line has to be drawn. She said there are needy people and children in this community and who is the neediest? She said that the reality is that we do not have the money to support non-profits and said that there are hundreds of needy things going on in this community and if we cannot do it for all we cannot do it for one.

Mayor Irwin said that is a good point and said that she believes it should be changed to \$4,000.00 and \$4,000.00 in contingency based on Councilmember Bowen's comments.

Councilmember Krigbaum said she is good either way and said that she sees Councilmember Bowen's point and said that we have to be careful because we only have so much money. She said that she likes the contingency and said that the four and four is a little easier to live with.

Councilmember Dahnk said that she does not like the contingency and said if you have a budget you have to figure out a way to live in that budget.

Vice Mayor Smith said that he agrees but feels that the Town has a lot of benefit from the Senior Center.

Councilmember Snitzer said that whatever contingency is put in place it will be a low priority compared to other things which means that it is probably not going to happen. He said the long-term objective is for them to be totally independent but

said that these are tough times for all of us and we want this organizations to survive it is important to our Town. He said the \$6,000.00 with the \$2,000.00 contingency knowing they will not receive the \$2,000.00 unless we have a banner year and I can not see making that a high priority.

Councilmember Bowen said that was very well said but she said it did not change her mind.

Mayor Irwin said this is not an item to vote on, but said the consensus seems to be four and four.

Vice Mayor Smith said he feels the consensus is for six and two.

Councilmember Hastings agreed with Vice Mayor Smith.

Councilmember Dahnk said six and zero.

Town Manager Johnson said that in many communities the Senior Center falls under their umbrella and said that four or six thousand dollars is a small amount for us to pay to support. He said that this is the only non-profit that we are actually providing support to.

Councilmember Bowen said that is her point, we only support one and how many more non-profits are in our community? She said we need to be fair.

Councilmember Hastings said \$6,000.00 is a lot of money and terribly important for the Senior Center.

In response to Councilmember Dahnk, Mayor Irwin said that the City of Show Low runs their Senior Center.

Councilmember Snitzer said that he agrees with Town Manager Johnson and said that people expect the Senior Center as a service to the community.

Councilmember Bowen said that in her thirty-five years of real estate on this mountain she has never had a phone call or someone come into her office asking if the Town has a Senior Center.

Mayor Irwin said at this point it is a principle thing and not a dollar thing.

Councilmember Dahnk said that she agrees and said that to her it is the principle.

Councilmember Snitzer suggested weaning them off over the next two to three years.

Mayor Irwin said that she would like to see four and four.

Vice Mayor Smith and Councilmember Snitzer said six and two.

Councilmember Dahnk said six and zero.

Councilmember Hastings and Councilmember Krigbaum each said six and two.

Director Rodolph said he heard more six and two.

Mayor Irwin said then it will stay at \$6,000.00 and \$2,000.00 in contingency.

Director Rodolph said that the other contingency is for employee raises at 3% which would be roughly \$107,000.00.

Director Rodolph said that the Library budget is \$309,750.00 for the fiscal year, slightly higher than last year due to salary and wages and employee benefits. He said because Manager Abel has been out so much due to long term medical issues, it has been difficult to keep the library open and staffed. He said there is an issue at the library due to staffing and one of the full-time employees will be leaving on July 10, 2020. He explained that the issues at the library are still being discussed by staff to solve the staffing problems.

Director Rodolph said that the Community Services budget is \$121,350.00 for the year.

In response to Mayor Irwin, Annie DeRosier said that Pinetop-Lakeside Days has been left in the budget and said that they hope to do the event with different options.

Ms. DeRosier asked Director Rodolph to change line item 10-5964 from “*Chamber Events*” to “*Community Events*” so that it does not cause confusion and asked that \$1,000.00 to be put in for the budget for the line item.

Director Rodolph said that the Visitor Center Attendant wages and benefits will be increased due to the hiring of an additional part-time seasonal person. He said that

with adding the Community Events and the additional funds for the Visitor Center Attendant the budget for the year increases to \$128,085.00.

Director Rodolph explained that the Facilities-Public Works budget for the year is \$1,039,210.00. He explained that line item 10-6282 the amount for the PD Building-Designs, utilities and relocation of the generator has been increased to \$200,000.00, increasing the total year budget to \$1,089,210.00.

Director Rodolph explained that Fleet Maintenance-Public Works is a new department and that it has two employees that have moved under Fleet Maintenance. He said that the total budget for the year is \$187,056.00.

In response to Vice Mayor Smith, Director Patterson said that if an employee reached their 40 hours earlier in the week they leave early on Friday.

Director Rodolph said that the Town Manager budget is \$152,715.00 for the year, which is less than the previous year. Staff Development/Training and Community Relations were reduced.

Director Rodolph said that the Town Council budget is \$47,490.00 for the year, lower than the previous year. Staff Development/Training and Community Relations were lowered for the year.

Director Rodolph said that Fund 19 is Capital Projects and said that in the current year there was the purchase of the park in this fund. He said that for the fiscal year 2020/2021 this fund includes mostly dept payments for a total of \$438,985.00 for the year. He explained that line item 19-6084 for \$57,373.00 is to pay off the backhoe.

Director Rodolph said the budget for Streets-Public Works is \$1,757,817.00. He said the only addition has been to line item 21-6026 Professional Services, \$30,000.00 has been added to Engineering for Show Low Lake Road and for other small projects during the year.

Director Rodolph said the budget for the Collection Center-Public Works is \$216,527.00 an increase from last year. He said that the last couple of months the Collection Center has done better and seeing approximately 600 people each month.

Director Rodolph explained that the Grants fund is \$3,690,230.00 with a project match of \$763,800.00. In line item 24-6459 Miscellaneous Grants \$500,000.00 was

added and in line item 24-6775 Tribal Gaming Funds (Prop 202) \$250,000.00 was added bringing the total for the budget to \$4,390,230.00.

Chief Dan Barnes said that the Police Department has received a grant of \$12,500.00 to purchase ticketing equipment that includes scanners, printers and paper to print out the ticketing for the police vehicles. Additionally, the Police Department is receiving \$33,000.00 to buy all new laptop computers for the vehicles and \$16,000.00 that will go toward the purchase of body cameras.

Mayor Irwin asked that “synthetic skating ice rink” be removed from line item 24-6459.

Director Rodolph said that the Tourism and Promotion budget is \$272,140.00 a decrease from last year. The Employee Salaries and Benefits were incorrect, they still included Visitor Center part-time employee, and was lowered to \$48,350.00 for salaries and wages and \$24,300.00 for employee benefits. The budget for the year is now \$259,450.00.

Director Rodolph said that Acquisition and Development budget is \$44,000.00. Woodland Lake Path is \$25,000.00 and Economic Development is \$19,000.00.

Director Rodolph said that Parks-Public Works budget is \$811,898.00.

Director Rodolph said that the budget for the Development Impact Fees Fund is \$182,745.00. He explained that a few projects have been identified and said that \$70,000.00 will be used towards lighting at the park and \$16,537.00 towards the plans for the new Police Department building.

Director Patterson said that \$38,923.00 will be used on the turn lane at Show Low Lake Road.

Director Rodolph said that the final budget will be presented to the Council for adoption and approval at the July 16, 2020 Town Council meeting.

There being no further business at this time, the meeting was adjourned at approximately 1:28 p.m.

Stephanie Irwin  
Stephanie Irwin  
Mayor

ATTEST:

Jill Akins  
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 7<sup>th</sup> day of July 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7<sup>th</sup> day of July 2020.

Jill Akins  
Jill Akins, CMC  
Town Clerk

