

# Town Of Mammoth

TOWN OF MAMMOTH

## MINUTES OF A SPECIAL MEETING OF THE MAMMOTH TOWN COUNCIL MAY 26, 2022



These are the Minutes of a Special Meeting held by  
The Mammoth Town Council  
On May 26, 2022 pursuant to the notice required by Law.

1. CALL TO ORDER – This meeting was called to order at 7:00 PM Mayor Armenta.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

### PRESENT MEMBERS

Mayor Armenta  
~~Vice Mayor Bustamante~~  
Councilman Brewer  
Councilman Martinez  
Councilwoman Martinez  
Councilman Dietz  
Vacant Seat

### PRESENT STAFF

~~Attorney S-Cooper~~  
Town Manager J. Schempf  
Town Clerk A. Sanchez  
~~Police Chief Mueller~~  
Librarian S. Christiansen

Motion to excuse Vice Mayor Bustamante  
Motion by Councilman Martinez  
Motion Passed 5-0

### ABSENT MEMBERS

Vice Mayor Bustamante Excused  
Second by Councilman Dietz

### 4. CALL TO THE PUBLIC

A public body may make an open call to the public during a public meeting subject to a three minute limitation to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of the call to the public individual members of the public body may respond to criticism made by those who address the public body. They may ask staff to review a matter or have the matter be put on a future agenda. However members of the public body shall not discuss or take legal action on matters raised during an open call to the public.

NO ONE PRESENT FOR CALL TO THE PUBLIC

### 5. SPECIAL BUSINESS

- A. DISCUSS AND APPROVE A CONTRACT WITH PABLO RODRIGUEZ FOR CERTIFIED POOL OPERATOR (CPO)

MOTION TO MOVE ITEM 5A TO AFTER ITEM 5B DUE TO MR. RODRIGUEZ HAVING A PREVIOUS ENGAGEMENT (BANQUET FOR SPORTS TEAM) AND ALLOWING HIM SOME TIME TO GET TO THIS MEETING.

MOTION BY COUNCILWOMAN MARTINEZ SECOND BY COUNCILMAN MARTINEZ  
MOTION PASSED 5-0

### B. DISCUSSION OF THE BUDGET FOR THE FISSCAL YEAR 2022-2023

It's budget time. So we usually have a kind of pre-budget meeting, to talk about what's going on where we're at right now as far as our current budget is concerned, and help figure out what our town's priorities are so that I can build a budget around those things. What happens, is that every year, we get halfway through the

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year, and people come up with great ideas for projects they want to do, but we haven't budgeted for it. If you don't budget for it, you can't spend it. If we don't budget even if we get a grant, and we don't budget for that grant, we can't spend it. So, that's the important part that everybody needs to understand. If you have a project, the time to do it is at budget time. That's what we're here to do tonight, make sure that we know what your priorities are, so that we can budget accordingly. I just want to start by talking a little bit about budgeting, because we have a couple of you who weren't here last time. We are required by law to adopt a balanced budget. Our Tentative Budget is due by July 18. Our Final Budget is due by August 1, Property Taxes must be adopted by August 15, which is 14 days after the Final Budget has adopted. Property Taxes or the Primary Property Tax Rate can be used for municipal purposes, which means that money goes into the general fund. We can use that to help pay for expenses to run the town. The Secondary Rating can only be used for payment of debt service, and at this point, we don't have that. We don't have a true debt service to do that. Maybe that's something that the Council might want to consider next year. But, at this point, we don't we don't have a secondary rate. A 60 day notice is required if you want to increase Property Taxes. So at this point, we haven't done that. If that's something that you're thinking about doing next year, that's something that would need to be done ahead of time, just to give you an idea.

#### 1. FY 22 BUDGET UPDATE

The next thing I wanted to talk to you about is where we're at in the General Fund. What our budget looks like right now. Starting with the general fund, we budgeted \$1.3 million, and we're at \$1.2 million right now. We're at 89.2%. And we should be right around 88%. So we're doing well. As far as revenues are concerned, we budgeted low, because we knew that we were going to have some problems. So, we anticipated those things. So, that's a good thing. So we have a total unexpended revenue in the general fund of \$147,067 and that was as of May 15. Our expenditures, we budgeted 1.5 million, and our actual is \$891,000. We have an unexpended amount of \$691,000. But, remember that a lot of that was the larger expenses with police, we also had some extra expenses for some of the repairs that we did. Some of the salaries will probably be moved, some of the salaries in water will probably be moved over to help balance that budget. We want to get that general fund as balanced as we can, because what happens is that those other funds should be balanced and as you'll see the water is not. So we'll have to move some salaries from water over to the general fund to help bring the water fund down. I'll explain why that is in a moment.

Next is Restricted Funds. We budgeted 9.7 million. I know that sounds like a lot, but that is because we budgeted 3 million for the water fund that we haven't spent yet. We budgeted for it just in case we got there, and we didn't. We probably won't spend that this year. But, this will carry over to next fiscal year, and we'll budget it again. We should be going out to bid and we should be able to spend some of that money from the water grant. So, we have the water money there but, if you don't budget again for it, you can't spend it. So we have to make sure that we do that. Our actuals in water was \$500,000 instead of the \$3 million and that was the loan that came in. We had a transfer in from restricted funds of \$45,000 and that went into HURF. We transferred that into the restricted funds so that we can pay our debt. That's something that we're required by statute do, we had an agreement to do that, because we had overused that fund. Expenditures, we budgeted \$6.2 million, were at \$889,000. And again, we budgeted \$6 million in the grants funds because we budgeted \$1 million dollars for the school grant that we didn't get. When I get to the grants you can kind of see where those monies were budgeted and what came in and what didn't come in.

Next is the Enterprise Funds. This is the concerning one. Water, we've we budgeted \$356,000, that's what we thought we were going to have in water revenues. But, we ended up with \$157,000. So, we were almost \$200,000, under in the revenues we thought we were going to get in water revenues. There's very good reason for that. Number one is COVID. Number two is all of those water credits that we had to give back. So, that put a huge dent in our revenues on top of that was the lack of those extra fees. The late fees, the shutoff fees, and the reconnect fees, all those fees, add up after a while. We had a moratorium on those for quite a long time. So, that took a toll. Then you'll look at sewer, we budgeted \$243,000 in revenues and our revenues are only \$121,000. Again, sewer is on the water bill. So, when they don't pay the water, they don't pay the sewer and people just weren't paying. The good thing is that we found out that we can use the COVID money to zero those balances out. So, at the end of the year, whatever's left of the COVID money, will be used to balance those things to zero. That hopefully that will help the sewer fund and help the water fund. Sanitation we budgeted \$120,000 and we brought in \$97,000. For the cemetery we budgeted \$24,000 and we brought in \$19,000, we budgeted high because of COVID. We knew it was going to take a toll, but it wasn't as bad as we thought it was going to be. Honestly, the fact that our cemetery revenues were down, this is a good thing for expenditures. We look at water expenditures we budgeted \$356,000 and we're at \$332,000. We should be at

88% and we're at 93%. So, our water expenditures are high. Like I said, in order to help the water fund, we're going to pull some of those salaries out and move them over to the General Fund, Public Works and some other areas. We're working again this year to take some more salaries out of water. We're trying to keep water from being top heavy. The problem is, it has been top heavy for many years, because they put everything in the water, because there was no money in general fund. The problem is that you can't just fix that overnight, you have to phase those changes in, otherwise, the General Fund will be back in trouble again. So, as we bring in revenues, and we satisfy the debts that we have on the general fund, then we can start moving more of that money over into the general funds from the water. We have moved quite a bit, but we still need to move more. The sewer fund, we budgeted \$243,000, and we've only spent \$74,000. So the good thing is, while our revenues were down, our expenditures were down as well. For the sewer, sanitation and cemetery, our revenues were down, but our expenditures are also down. So, that is a good thing. Water, we are over in expenditures by \$175,461 and we shouldn't be right now. That's not a good thing. So, like I said, we're going to fix as much of that as we can by supplementing with the general fund.

The next one is just the basic financial statement, just so that you can see the percentages where we are overall revenues versus expenditures. It is the financial statement revenues versus expenditures as of May 15th. So, it's the same information. It's just in a more condensed format to help you understand where we're at, and what we're doing. Does anybody have any questions on anything I've covered so far? No. Okay.

## 2. GRANT FUND UPDATE

Now I want to go to grant funds. And this is the important one, it's important to know where we're at. But, this is important because, what we thought we were going to accomplish and what we actually accomplished, was a huge difference, and I wanted to explain what those differences were. So, the water system project. The SCADA system, is tied into the water project, John's been working on that. That is \$130,000 is in the works. The \$57,800 for the generator that's already here as of May 15, that has already been expended and received. John ordered the generator, and they've already sent us that check, we received it for \$112,000 yesterday. Then Park improvement, the park lights that was for \$72,000. We received \$43,000 of that yesterday. That was for the new bleachers John ordered. These are ADA compliant bleachers, for the little league field, those things were a mess and they are just dangerous. So, John got those ordered, and that's great. They're on their way, and we've already received that money back. So, that's a good thing.

Economic development, they allotted \$65,000 we dispersed \$50,000. The reason we did not disperse that final \$15,000 is they have guidelines that must follow. So, we dispersed everything we could within those guidelines. Mammoth facility improvements, the water heaters and heat pumps, John's working on those right now. I think we did receive \$6,595 and that was for the AC and heating unit for the library. He's working on the rest now. There's two coming for the Town Hall. So, we budgeted \$378,000, this shows we receive \$56,595. But as I just told you, we've received much more than that. We're pretty close to getting all of the CDBG money that we applied for and that was allotted to us.

Next is CDBG Funding.

J. Schempf-- One comment on the CDBG, one of those CDBG grants was COVID related. So it was a one-time deal. That's the one with the water heaters and heat pumps. A second one was the bathrooms and the pool, those were also COVID related. So we don't get that from CDBG every year that was a special situation. A Sanchez-- The pool, the pumps, and the filters, John's working on those and that's pending. We ordered already or it is in the works, ordering a new vacuum for the pool, which will help in the care of the pool, which is very labor intensive. Cleaning the pool was the hardest part in the past, but in the future, it will not be because, we're getting a new vacuum that will literally make it so much easier. And the good thing is that this vacuum will be an electronic one that you'll just put in the pool, and you'll just let it go all night long. The next day, you just pull it out and you empty out the filter and it's clean. So it's going to make managing and keeping the pool clean a lot easier. So it's really going to it's really going to reduce the responsibility on the person managing that.

Next, I wanted to talk about some of the federal grants that we applied for. So American Recovery Act, we, we asked for \$250,000 and we budgeted \$250,000. We got in \$281,000. The good thing is that because it's in the grant fund, and some of the other grants didn't come in, we're okay to spend the entire \$281,000. As long it's within the fund. And that's one of two payments. So, we got a payment this fiscal year and we'll get another payment next fiscal year. The following fiscal year is when the hard times are going to hit. That's one of the things that you're going to hear me stressing over and over, let's not start something that we can't continue into the next fiscal year, because times are gonna get hard. Okay, we need to remember that. I'm honestly looking at the fact we might have to do some layoffs next year, depending on how dire situation gets,

because we lost a lot of revenues. So depending on what our final expenses come out with the police department, and going to PCSO, it's going to be tight. We're going to have to tighten our belts and understand that things are going to get rough. So that's why this fiscal year, it's important to get what we can get, and try to make the best use of those COVID monies, because they're going to go away. We hoped the PCSO move would save us but, it's not gonna save us as much as we thought. We thought it was gonna save us all what we lost in our state shared revenues. Some of the expenses went up to the point where I don't think that's going to help much right now. The good thing is that I finished the submittal for the grant for the two police vehicles. We have them already ordered the outfit stuff, we already have the quote for that. So, as soon as that comes in, that's going to help definitely reduce those cost. That'll help we won't need as much in the office, they're going to have their laptop in their car, hopefully their own Wi Fi hotspot in the vehicle. So they'll be able to do everything they need to do in their vehicle short of writing a report. That means more time out on the streets, more patrolling, it will be a positive, and hopefully they'll have a nice vehicle and they will want to spend more time in it, who knows.

Next is Rural Utility Water. That's the 3 million that we budgeted for the water project and that's pending. So, we're going to do it fairly early in the year, we'll probably spend more than 2 million.

Library Grant, we budgeted \$1,000. We didn't bring any money in for the library. The police department, we budgeted \$1,000 and there is \$8,655 and that is misleading. I plan to move that money, but it was there and that way it's showing and I wanted you to see the way it's showing now. We do throughout the year something called the journal entry. A journal entry allows us to move money from one fund to another to balance, not just to balance but to make sure that we're accounting for things properly. So that \$8,655 is part of the money that the officers paid, they all pitched in for the ammo. So, it wasn't actually grant revenue, it was revenue that they pitched in. So, that will go over to police revenues, instead of having them in the general fund. I am so sorry. That is the grant that we got from the Apache Tribe.

Next one is a congressional grant for the school, we apply for a million dollars. And that was denied, flat out denied. The congressional direct spending \$140,000, that's pending. So, hopefully they will be releasing that money soon. It doesn't look like we're gonna get it by June 30<sup>th</sup> though. That'll probably fall into the next fiscal year. You'll see that on next year's budget.

Then the last one is Miscellaneous Grant Revenues, we threw that \$1.5 million in there, because we had applied for a couple of different general grants, just because we knew there were going to be things coming up. So we applied for some general grants, none of those came to fruition. None of those were approved. So just to give you an idea, does anybody have any questions about Grants

M Martinez—asked about using that grant for the school.

A Sanchez--we can certainly look at that but, we applied under the congressional direct spending grant and they were looking for things that were more geared toward law enforcement, and it wasn't deemed law enforcement. Because it was under a Department of Justice (DOJ), we tried to throw the school in there. We tried to say, Okay, well, we want to use it for the police department and then we can use the rest for economic development, we could rent them out as offices or whatever, and try to kind of have an office complex with the police there. They weren't buying it. They were like, No, we're not going to fund that, so we were denied. But we can certainly look at other avenues. We can look at economic development grants and hopefully do something with the school. Opening the school though, that's gonna have to go through the school district, and they're not even there, they don't even want to talk to us about that. They don't have the revenues to support that. But we were thinking maybe CAC, Pima Community College, or Grand Canyon College, might want to open up an office here and maybe provide, you know, some services or something here. So I mean, there are other avenues out there we can look at to utilize that school. It's unfortunate that we spent so many tax dollars on that thing for it to sit and just rot away.

A Martinez--The council needs to go back up, we were waiting on whether or not they would even talk to us until after the election happened. And whether the people said that they could sell the building, they got permission to sell the building. But nothing's been done with it, because they can't get anybody to buy it. So I think they would be more apt to rent it or possibly look at some kind of IGA where we could move the police department there, and they could cut back on their insurance cost, because now they've got the law enforcement up there. I think we should make an appointment, and talk to them right away, now that they're more willing to work with us and they see that it's not going to go away.

A Sanchez--Yeah, I think it's a great idea, we could use that building for so many things, not just economic development, not just the school, not just the police department, but to provide other services. There's a beautiful gym out there, we could clean that place up. It's going to cost us a lot to clean that place up because it's been sitting empty for so long. So we're gonna need money to do it. We have the labor, and we have

people, we could put together a committee to help us do some of that. There are things we can do. I definitely agree, I don't think that we should count that place out.

A Martinez—Could we try to leave some money in the budget this fiscal year to be able to try and see if we can come up with some kind of rental agreement, put a cap on it, just say we're going to hopefully do this and this would be what we have?

A Sanchez--Let's look and see what's in there and if we can once we get an idea if they're willing to work with us and not \$500,000 a year or something crazy like that. If we can get them to be reasonable and listen, they have a facility that needs a lot of work. If we rent it from them at a reasonable cost and we do the work, then you would think that they would reduce the cost of the rent, because right now they can't do anything with it. They don't have the money to fix it up. So, it's possible, you're just gonna have to go out there, talk to them and see what you can negotiate.

J Schempf--Start at \$1 a year. I'm serious.

A Sanchez--They would rather honestly, see it sit there, it just doesn't make sense.

A Martinez--When were up there, she was willing to take something to the board. But, she said that they couldn't do anything until they seen whether or not they have permission to do anything with it. She said, because of the way that it was written, it needed to stay in school. The only way that they could rent it out was if the taxpayers gave them permission to either, sell it or to lease it out, or whatever. They couldn't even do anything with that until the election happened. When the people said, yes, you can, and now they know that they can, and they've tried to sell their school and they haven't been able to do it, I think they would be willing to do something with us. I agree with John, I think we start extremely, extremely low, because the trade-off for them is going to be, you're not going to have the vandalism, which means your insurance rates are not going to be as high, you're going to have the police department up there, you're going to be able to use it not only for community schools, they can use the gym and stuff for those things. But, it can also give their senior citizens a place to go to get out of the heat, if they want to go walk somewhere where it's cool, and it's able to be utilized all year round, because you've got law enforcement. So, I think it would be a win-win. I think now, especially now with the state of everything they're going through, I think it would be a perfect time to go back up and talk to them.

A Sanchez--I think you're absolutely right. I think that this is something that they can use. I mean, it could be a positive for the town. But right now it's not, it's a negative. And the thing is, that if the town goes up there, and we fix it up, then that's going to be a positive for them. Because then it's going to be more valuable to them. So you know, I can't imagine that they wouldn't want someone to fix it up. They definitely can't afford to do it themselves.

### 3. COUNCIL PRIORITIES FOR FY 23 AND

The next item on here was Council priority. So we kind of wanted to get some input from you, what are your priorities? What is important to the council? So if you guys want to take turns, we'll take notes, and then we can figure out how to get it or if we can get it into the budget. We have the list as well. So, do you want to go over the list of capital improvements, or do you have anything that wasn't talked about last time?

J Brewer--Just a few meetings ago, we discussed the property we have on highway 77, there are hills on it, we need to level it off, and make it presentable to prospective businesses. I mean, we're in a hole and we need all the money that we can get. If we have property out there that looks good, somebody is gonna come in and put a business on. I mean, if you look in Arizona, Miami, Globe, anywhere you want to look, Superior, they are moving away from the inner town, and onto the highway. And I think that's our only option. We have to bring businesses here who want to put something there on the highway.

A Sanchez

Are you talking about the town getting the property ready, and then selling it to a business, or are you talking about us renting it?

Because that's the other thing, when you rent property to someone, the town keeps the liability. So, that's one of the big things that we have to be careful about, now the town has a liability. So, depending on what they're doing there, if they're having a parking lot, and somebody gets run over or if they want a business that works with heavy equipment and someone gets squashed by a jack or a truck or something. Now, the town is liable, because it's on town property. So we have to be very careful.

J Brewer—the town messed up with the Dollar General because when they were looking for property and we didn't move fast enough. They went and bought it from private people. So we lost out. If you've got property sitting there, people see it. Then we have a chance of getting another business in town.

A Sanchez--we can certainly put that on the list and look for a grant for it. That would be good for an economic development grant.

Mayor Armenta--Coming into town where you turn to go by the fire department, most of those houses are empty, under what is it that we can knock those places down?

A Sanchez-- I don't know that we could get grant money for that. We're looking at CDBG. Remember when she came and talk to us? So I think that's what part of that money is going to go for. CDBG is going to help us do that. I talked to Paula with the county, and she does code compliance there. She said that she would sit down with me and, let us kind of pick her brain on what the county's procedure is, so that we could help put something together ourselves. John wants to hire a code compliance person, maybe one two days a week, to get started on those things. Somebody who has some authority by the council and the town, who can go out there and say, you need to clean this up, we have a process, we have a checklist, this is what you need to do. Then they can follow up on those things and get things cleaned up. She has some avenues to help clean things up. She has some ideas that the county are utilizing, the county is using prison labor. The problem is that, we have to pay for transportation for them to come here, and we have to pay for an officer to monitor them while they're doing the work. So, for us that far away, it doesn't work. But she's also using probation, and we have a lot of people on probation around here. They could come from San Manuel, they could come from Dudleyville, they could come from Oracle, from here in Mammoth, and they would do work for the town for free. Then they get credit for their probation for doing the work.

A Martinez—did we pass a motion to hire a code enforcement officer or did we just give you permission to advertise for one?

J Schempf--The second.

A Sanchez--No, we haven't hired one yet. But, that would definitely go a long way to helping the situation, and it wouldn't have to be a huge expense to the town to hire someone to do that. At first, they're going to be busy but, you can have someone one day a week going out, they spend a half a day going through the town, you know, taking pictures and working on the cases that they have going on. Then the other half of the day in the office, doing paperwork, getting that stuff to the court, because there are rules and regulations. Sharon knows, first you have to notify them that there's a problem. Then you have to give them an opportunity to clean it up. Then you have to send them another notice, and you have to take pictures, and you have to do all this kind of stuff. So it's a huge and labor intensive. So if we had someone who was dedicated to just doing that, we can make some headway on this. And then we got probation to come out and help clean things up. So if they're elderly, or they're low income that falls right into that. And if they're not, then let's make them pay, send them a bill. So yeah, I mean, that's definitely something that we want to look at. But also, the thing is, we have to remember that you can only do so much because we have expenditure limitation. So we can't budget \$100 million in our budget, because we have a budget limitation that only allows us to budget a certain amount. So, we looking for like the top three, because more than that, and we're going to have concerns about whether or not we can do this in this budget.

A Martinez--So my top three would be obviously the rent for the school to open the gym and the multi-purpose room. My second one would be the phone systems and IT upgrades. Then my third one would be, the spotlights for public works, because I definitely think we need those. I think it's a safety issue when we have them working at night on water leaks as we don't have lighting. I also think that those can be utilized if the fiesta committee ever gets back up and running. We had to get some from county because we didn't have any. Those would be my top three.

J Schempf—There are six lights, coming up for auction next week, I think they are going for \$2500. So, I don't think that has to be on here. I guess we need to give you another chance.

A Martinez—If I get a fourth one. I would definitely agree with Councilman Brewer. It would be a toss-up for me between the crossing of 77, which I don't think we're gonna get just because of the issues with ADOT. But, I do see that maybe using our public works department and our equipment to level the land that we own and along highway 77 can be a benefit long term. Because, even if we get a company that wants to put something there, I'll give you an example. Caterpillar wanted to relocate their offices to Tucson, they were going to use one of the existing buildings in Tucson, but there was a chunk of land downtown that was perfect for them. There was a building on it. At first, it was just a parking lot. But somebody went in and actually, like cut the parking lot out, then there was just a dirt lot. They foresaw the building that they wanted to design there. And then they ended up getting it and now they are one of the biggest employers' downtown. I think if you do that, and you at least have a lot leveled companies that are looking to get highway space, you may end up getting one of these big gas stations that got several different restaurants on site, because we are on the highway to get diesel trucks that stop here all the time. You could get restaurants, if you get business,

the opportunities are endless, with just a piece of property that's leveled, versus having a smaller building where you're like, maybe we could put a little restaurant here, you know what I'm saying? I think that would be that would be my third or fourth?

A Sanchez--I definitely think that improving the property. So leveling it out, and maybe putting utilities to it, that's going to make it way more valuable, because that's what they're looking for. They're looking to come in and if they're going to throw up a building, they want to make sure that the utilities are already on that property. I see that every single day. Okay, so what about the others? Do you guys have anything other than those that she has thrown out there that you think we need? I know that Ernie has been talking about this bus transportation that he really wants? I mean, you're a council, so you have to agree together? If that's what you want to do?

J Schempf--That's a transportation project. That's where the transportation money comes in, so I'm pretty sure that's RTA. They have a lot of programs for that. So I'm not going to worry about that. If it's at all viable, there's money for that there. You mentioned the crossing highway 77. Is that your number 3?

A Martinez--No. If I had to pick three, those would be my top three, obviously the renting of the school, the phone system and it upgrades, and the property being leveled. I would love to see some kind of Hawk system put in to cross the highway. But with the amount of citizens that we have, and with our budget, I don't see that happening anytime soon.

(There was some discussion on the Police Department and what they could do to slow traffic down as vehicles come into town)

A Sanchez--Some other things that were on the list for the police were sleeping quarters, laptops and radios. Better tower. Another cruiser? Well, we're getting two so that should suffice. We don't need another one next year. But we don't really know about the year after. We know that public works needs a street sweeper, that's something that all of you have expressed concern over, especially during monsoon season. The roads are a mess and dangerous, during this season, so they're sweeping the streets. And now there's dust everywhere because we don't have a water truck. So it's like a catch 22, you can't win. So those are things that we know we need. Public Works need tools, we know that, all the vehicles need tires, we know that's a huge need. We just have to figure out how to manage best, manage our resources so that we can chip away at these needs a little bit at a time. We're not going to cover all these things in one year, not even in five years. So, the last one is the Library's looking for another room.

#### 4. FINALIZE CAPITAL IMPROVEMENT PROJECTS FOR FY 23

J Dietz--Back to Public Works, I help the town out a lot, a couple of days ago I was helping the men and we had to go to the Lumberyard to go get some parts. To make a long story short, one of the guys there was concerned about the gas. Do they have a limit or can they only have one tank full a week?

A Sanchez--Well, that's not actually the case. We went to a new credit card company, a new gas card company. They put a cap on how much we could charge per month. So, we're asking them to not go crazy, on top of the fact that they like to cruise around and sit in their cars with the AC running and stuff like that and just waste gas, and we don't have the money to waste. We just don't have it. I mean, would you rather put gas in a truck for one the guys to sit up at the cemetery with the AC running or in a in a police car so that our officer can respond when someone calls for an emergency. It's just about being smart. That's what we're trying to do, get them to understand that the town doesn't have a bottomless pit to count, and that they need to be responsible about how they use their vehicles and the gas that they put in their vehicles. That's all it's about. I mean, you're not going to leave your personal vehicle sitting out running the front of your house all day long because you have to put gas in it. So we're just asking them to be responsible. That's what I've been saying for months, Public Works gas budget should not be more than the police gas budget.

J Schempf--But back to your particular question, we did have a struggle in the office and they suddenly stopped our card. I called to explain and they said, Okay, we'll do a one time job. So, that's what you've heard

A Sanchez--I think it was a matter of, it's a new company and they were sending the bill in the mail. We have a habit of paying on Fridays. Well, by the time the invoice came from, wherever it comes from, it was already due. By the time we wrote the check on Friday and mailed it out, that company didn't have it in their hand yet. So they were like, Oh, well, we're gonna freeze your account. So, that's what happened.

So the council is agreed on these improvements, we're gonna prioritize the school, phone and IT system, and, getting the property on the highway ready for some kind of commercial use, right? Everybody's in agreement

correct? Okay, so we're going to come up with a budget line item for those items, and then we'll look for a grant.

## 5. SALARIES AND NEW POSITION

The next one we needed to talk about, because this is a big part of our budget, is proposed positions. These are hourly and salary positions, not contract positions. So, I just wanted you to have an idea of where we're at as far as our positions are concerned. Administration has three part time and two full time and no temporary. Police Department has four part time and seven full time positions. Magistrates, has two. Library has two. Public Works has seven full time no part time and no temporary, and the Swimming Pool has eight temporary, so those eight are, one manager and the lifeguards.

A Martinez--So I have a question. I know what the two full time employees are in administration. I know we have a part time clerk, we have a part time cleaning staff and we have the utility clerk and we have a whatever, those are the full time. So who is the third part time?

A Sanchez-- the Utility Clerk is full time and the Accounts Payable Clerk is part time. She works 70 hours per pay period. So the accounts payable clerk is part time, she's not full time. Erica is not full time. She doesn't work full time hours. Then, April is full time and the other full time is John, the Town Manager, then your part times are Erica, the custodian Lucy and the Town Clerk. It's not me, but whoever you hire as a clerk. So we just put the position in.

(There were some questions concerning the number of employees in various departments)

A Sanchez--What I'm planning to do in the budget is, I'm planning to put some overtime in there that will cover the carryover till PCSO takes over for the girls who are working now. And then there will be two part time clerks, either two part time at 20 hours a week, or one full time at 40 hours a week for the police department only. And then the positions for the officers is not seven, seven is what they currently had on the books and that should be five. Because we've always budgeted for more than we ever have, we need to start being realistic about how we're budgeting and that's what I'm trying to do. I got rid of those public works positions that we didn't fill, because we just need to cut the fat to prepare for next year. Things are gonna get hard, and we need to be preparing for that. Okay, next is magistrate, library, the seven Public Works and then the pool includes the manager and then seven lifeguards. The seven lifeguards would be two full time, two part time at 20 hours a week and two part time at 10 hours a week, something like that. So they're minimal positions, just enough for her to cover lifeguards. Okay. Let's see. And then at the bottom, we had proposed positions, the assistant clerk, so that's already up here in administration. You'd have to add one more part time up an admin, which would be the code enforcement because that would fall under planning and zoning. If you decide to fund that system. So we're estimating wages to be somewhere around \$728,000 for a total after all, the PSPRS, FICA and Medicare, right around \$900,000. That's amazing. We were at \$1.3 million last year. So that's awesome. We are cutting the fat quickly.

## 6. ADDITIONAL EXPENSES

### A. CONTRACT SERVICES

The last thing I want to talk to you about was contract expenses. This is something that we need to make sure that we're keeping an eye on and making sure that we're not adding contracts. We did that this year, we added a bunch of contract expenses that we didn't budget for. We have to be very careful about that. We were lucky that our expenses were lower than what we anticipated, because we added a lot of contract people including me, that we didn't budget for. What you've been paying me to help out doing the finances doesn't come out of the salary that you budgeted. For me, it comes out somewhere else that wasn't budgeted for. So that's the important thing we need to remember that when you're going to hire someone to clean the pool or operator for the pool, you're gonna hire someone to cover financial stuff, you're gonna hire someone to do heavy equipment, we need to make sure that we're budgeting for those things. That's one of the most important things because, that is a long term expense. You can give someone a contract today and have them doing the service, and then tomorrow, you're like, hey sorry, we don't have the money to pay you. What happens is that nobody does that job. So now you have a problem. We can't have an agreement with someone to pay them something when we don't have the money to pay. So that's really important. So, I just want to go over these a little bit. Annual contract with PCSOs, \$37,000, Spillman is \$4,000 a year, the helicopter service you agreed to is \$3,000 a year, the full maintenance contract right now is running around \$5,000 a year. Water testing \$14,400 a year, Attorney Services \$40,000, Accounting Services \$5,000, Heavy Equipment

maintenance, that's right around \$10,000 and Financial Management, is about \$3,600. So, total contract expenses is right around \$122,000 that is what we're kind of looking at right now. I'll continue to help you as long as you need me to, but you should be able to hire someone who can handle those things.

#### B. WATER CREDITS

So, the next thing I want to talk about was water credits, the beginning balance was \$76,291. It's down to \$18,000. That's amazing. For one year, the water company took a hit in revenues for that, but it's necessary. The bad thing is that now we're in a bind. Because a lot of that current credit, is about \$2,000 for current customers, and all the rest of that is former customers. Now we have to start tracking them down and getting the money to them and that's the hard part. I don't know how we're going to do that. Honestly, we're gonna have to put together a plan on how we're going to attack that, because that's going to be a pain in the rear. That \$16,000 is former customers. By law we are required to either track them down, or we have to turn a check over to the state with a list of their names. Then it would be unclaimed property and then the state would get it. We don't get to keep it but, the state could keep it after 10 years or something like that. And then the last thing I want to talk about is our position. And this is something that is really important. You need to keep in mind as you're budgeting this year, this is for next year, in the future. I'm going to harp on this and hopefully the next person who comes does the same.

#### 7. HURF BALANCE

Okay, so the last thing I want to talk about is excise tax repayment balance is a big ZERO, and I'm super proud of that. We all worked very hard to get that done. So that was awesome. It wasn't just us, we had COVID monies that we could use in other places to free up money in the general fund. But, I'm telling you that those people were we're gonna stick it to us. They had us owing about 90,000. They really were not giving so, we had to really fight for that. Just know that we went to battle for the town to get rid of that. We worked hard for that, we're on a first name basis. We talked to that guy like three times a week for about three months. He probably was like, just give them what they want so they'll go away. Because we were not giving up. They said we owe \$237,000 at first and they got it down to \$91,000 and they were digging their heels in and we weren't giving in and we said, no. So we rolled up our sleeves, we dug into all the receipts, back to 2014 to get rid of that. So we worked hard. They were holding our money. HURF doesn't do that. They were holding our excise tax monies and that gave us a little more incentive. You know, if we can get it down to zero, then they'd give us our money. And they did, they cut us a check and gave us the money that they were holding for us with interest. Okay, finally is the big black cloud hanging over to us, the balance of the HURF FUND. Remember that it was over \$1,000,000. Two years ago. So it was \$800,000 last fiscal year. And it is now at \$490,016. Because we found when we were looking for excise tax receipts, we found HURF too. So we're like, here's more receipts and I took more off. So that payment arrangement says we have to pay \$45,000 a year on that. Maybe this year, we pay a little more than \$45,000 if we can afford it, because next year, we won't be able to, we'll be struggling to pay that \$45,000. So just to know that we still owe \$490,016 to HURF. So we have to be really careful about that. The water project is going to help us. Any of the roads we do, we will be using HURF monies. So I think that is it. Anybody have any questions about the budget, about the process, about what to expect? Because we are going to bring back to you a tentative budget, where we have addressed all of these issues that we've discussed tonight, and we will put dollar figures in the grants and expenditures for those projects that you can do and that have priority, and we'll put a budget amount to those. So is there you have any questions? Any concerns more going forward?

(There was a short Q & A)

A Sanchez--The fact of the matter is, that we need to be physically responsible when we make decisions about money. So just please keep that in mind. As we move forward. As things come before the Council, as you're asked to pay for things, the question is, did we budget for that? Because that's important, that is going to be your answer for every single thing. Not this coming fiscal year, but the following, because there it will be rough. So just keep that in mind. I'm gonna get off my soapbox now, unless anybody has any other questions. The next meeting on the Budget will be June 2, 2022.

(The subject concerning the food tax was raised.)

A Sanchez--It's hard for the people to understand and we understand that. Our sales tax revenues are going up because people are spending money, I think they weren't spending money because of COVID. But they are spending money again and that's a good thing for the town, because it allows the town to provide more services. Look at all these things you guys want to do for the town. When you give away that money, then it's a problem and here's the thing, once you have it, it's yours, give it back to them, and it's hard to get it back when we're in trouble next year. That we're kind of at right now, guarding what we have, because things are going to get hard soon. We've got 10 years of struggling ahead of us before we're gonna see any relief. In that time, we need to be like you said, we need to be looking at economic development, we need to be looking at a raising property values in this town. We need to make people clean things up. We need to knock down these old buildings that the property values are nothing so people can build a new house. That's what's going to bring revenue into this town, who wants to live in a town that looks like it's falling apart. So we have to work on those things in order to bring this town up. There are things we can do. Superior is working on doing things like that, there are things we can do. It'd be a good idea for maybe town staff to go to some economic development conferences and talk to people, get ideas and communicate with other people who can help do those things. Because it's a community project if you're going to bring this town up from where we're at. So I mean, just things to think about. You know the developments out there, I tell you that I had a couple come in the other day, that old house in Oracle, they're turning it into an Air B&B. There are people out there with money who are looking. I had a guy come the other day and asked me about you want to build a tiny house in San Manuel. Where are you going to build a tiny house in San Manuel, it's all built out? There's no empty lots there. I was like, what about Mammoth? Mammoth properties are cheap? You know, they're good people, they're working on bringing up the economic development. What about Mammoth? Like we're trying to send people your way. It's just that when you drive into this town, people kind of look around and go, there's not really anything here and the property taxes. That's good. It brings people in because the property values are low and the taxes are low, and it's cheap to live. But, because property values are low, people don't clean the yards, there's trash and there's garbage and things are falling apart. So those taxes are important to the town.

**5. SPECIAL BUSINESS**

**A. DISCUSS AND APPROVE A CONTRACT WITH PABLO RODRIGUEZ FOR CERTIFIED POOL OPERATOR (CPO)**

There was some discussion concerning the fact that Mr. Rodriguez has not only secured his Pool Operator Certificate but has also obtained the Full Technicians Certificate as well. This allows him to deal with all the chemical operations of the pool. The full range of duties were explained and the Council understood the value of the second Certification. The original was stated to be a contract at \$500.00 per month but after discussions the motion is as follows:

**MOTION TO APPROVE CONTRACT WITH PABLO RODRIGUEZ FOR CERTIFIED POOL OPERATOR (CPO) AT \$750 FOR THE MONTHS OF MAY, JUNE, JULY, AUGUST AND SEPTEMBER. THEN THE REMAINDER OF THE YEAR WILL BE AT \$500.00 PER MONTH**

**MOTION BY COUNCILWOMAN MARTINEZ SECOND BY COUNCILMAN MARTINEZ  
MOTION PASSED 6-0**

**6. ADJOURNMENT OF COUNCIL MEETING**

**MOTION TO ADJOURN @ 8:22 PM**

**MOTION BY COUNCILWOMAN MARTINEZ SECOND BY COUNCILMAN MARTINEZ  
MOTION PASSED 6-0**

I certify that the preceding is a true and correct copy of the Town of Mammoth Council Meeting held May 26, 2022. I further certify that the meeting was duly called and held.

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John Schempf, interim Town Clerk