

**Minutes
Town of Clifton
Town Council – Work Session
April 19, 2016
10:06 A.M.**

Members Present

Felix Callicotte, Mayor
Luis Montoya, Vice Mayor
Barbara Ahmann, Council member
Ray Lorenzo, Council member*
Roy Tyler, Council member*
B. Waddell Reyes, Council member
Ray West, Council member

*Absent

A quorum was present.

Call to Order: The meeting was called to order by Mayor Felix Callicotte followed by the Pledge of Allegiance.

General discussion of FY 2017 Budget Revenues and Expenses: Town Manager, Ian McGaughey pointed out that the current proposed budget reflects approximately \$400,000.00 or 20% expenditures over revenues. He also reviewed the current year revenue collections status at 63% as of March 31, 2016 (3rd quarter of the fiscal year) which is approximately 12% less than what it should be (75%). The decrease in revenues could be caused by the economic slow-down in the mining industry as well as possible over projections particularly in the local sales tax.

Mr. McGaughey also discussed the town's property valuations impact affecting the property tax projection. He explained that he had contacted Greenlee County Assessor for addition information on the reduction in reported valuation for the town but was not able to obtain sufficient information due to that office transitioning their computer systems.

He referred council members to the budget summary sheet, specifically the Special Revenues section where the RV Park, Sewer Fund and FMI Police Wage Supplement Budgets currently allocate more expenditures than there are available revenues.

Members of the Council also discussed the possibility of utilizing the fund balance and the impact of maintaining a healthy surplus when attempting to obtain financial assistance from other entities or agencies. However, the consensus of the Council was that the enterprise funds such as the sewer fund should be self-sustaining. It is also the consensus of the Council that users of town services should pay for the cost of that operation.

Next issue discussed was the review and analysis of the current sewer fees to include user fees, late fees, new application fees, sewer tap fee and the sewer service restoration fee once a service has been plugged.

Cecilia Jernigan, Accounting Specialist presented council with information on what the current monthly sewer collections should be based on this year's sewer fund budget. A monthly collection of \$22,000 would result in an approximate 80% increase to each user. She reported that there are approximately 500 residential users and 80 commercial users.

Council discussed other revenue points such as discontinuing the minimum user rate. It was the consensus of the council that it should be discontinued. Also of a general consensus was that the current sewer tap fees are insufficient to recover the cost of materials and labor. After a lengthy discussion of the different charges associated with sewer services and the possibilities of increasing them, the council agreed that most of the community will understand the need for the increase in rates.

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However, Council did suggest that the Town request the Copper Era to publish an article regarding the current state of the Sewer Fund. Members of the Council agreed with the recommendation from staff that a committee form to review and recommend a proposal regarding current rates and fees imposed by the town for all services. Additionally, than an advertisement be published in the local newspaper to solicit a member of the public be appointed as part of this committee.

Adjournment: Motion to adjourn was made by Vice-Mayor Luis Montoya. Second to the motion was made by Council member Barbara Ahmann. Motion carried.

Meeting adjourned at approximately 12:01 p.m.