

"HUB OF THE SOUTHWEST"

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**SPECIAL MEETING OF THE
HOLBROOK CITY COUNCIL
NOVEMBER 20, 2018
6:00 P.M.**

Pursuant to ARS 38-431.02, notice is hereby given to the Holbrook City Council, and to the general public, that a meeting, which is open to the public, will be held on above-mentioned date, in the City Council Chambers, at 465 First Avenue, Holbrook, Arizona. Some of the members of the City Council may choose to participate in this meeting telephonically. The City Council may adjourn into executive session, which will not be open to the public, to discuss certain matters in accordance with ARS 38-431.03.

The items on the following agenda are for discussion or consideration and possible action.

CANVASS OF ELECTION:

NEW BUSINESS:


A. Swearing in of Mayor Phil Cobb.

PUBLIC HEARING:

Alternative Expenditure Limitation

ADJOURNMENT:

Dated this 15th day of November 2018


Cher Reyes, CMC, CPM, City Clerk

MINUTES OF THE HOLBROOK CITY COUNCIL SPECIAL MEETING
HELD ON
NOVEMBER 20, 2018

CALL TO ORDER:

The meeting was called to order at 6:00 p.m. by Vice-Mayor Peterson

Roll Call: Councilmembers Tim Dixon, Earl Kester, Adam Marsh (telephonic), Francie Payne, Vice-Mayor Richard Peterson and Mayor Elect Phil Cobb.

CITY STAFF:

Interim City Manager Cher Reyes, Finance Director Randy Sullivan and Administrative Assistant Lisa Maestas.

CANVASS OF ELECTION: Vice-Mayor Peterson reviewed the results of the recall election held on November 6, 2018. Phil Cobb was elected as Mayor and Mike Nilsson was elected as Councilmember. Councilmember Kester made a motion to approve the Canvass. Councilmember Dixon seconded the motion. The motion passed with the following results: Councilmember Dixon "Aye", Councilmember Kester "Aye", Councilmember Marsh "Aye", Councilmember Payne "Aye" and Vice-Mayor Peterson "Aye".

NEW BUSINESS:

- A. Swearing in of Mayor Phil Cobb. Mayor Cobb was sworn in by Interim Manager Cher Reyes. Once sworn in, Mayor Cobb conducted the rest of the Special Meeting.

PUBLIC HEARING:

Alternative Expenditure Limitation. Councilmember Dixon made a motion to open

the Public Hearing at 6:03 p.m. Vice-Mayor Peterson seconded the motion. Finance Director Randy Sullivan explained that the City adopts the Alternative Expenditure Limitation every four years. Finance Director Sullivan said that the Alternative Expenditure Limitation is basically an override as the State of Arizona imposes an Expenditure Limit on all the Cities and Towns. The State uses a number from 1978 it is multiplied by the population factor and price index factor. Finance Director Sullivan said that a second Public Hearing must be held. It will be held on November 27, 2018.

Finance Director Sullivan explained that Staff are asking for this to be on the ballot for the next election. If the Alternative Expenditure Limitation passes it will allow the City of Holbrook to spend what they say they are going to spend. If the Alternative Expenditure Limitation does not pass it will limit the City of Holbrook to spend only the amount designated by the State even if the City's revenues are more. Finance Director Sullivan gave an example of the difference between the State imposed budget and the City of Holbrook Budget. In the 2018/2019 City of Holbrook's budget is \$10,290,176.00. The State's Expenditure Limitation is \$6,921,507.00 with a few exemptions allowed.

Councilmember Payne asked Finance Director Sullivan for clarification, she wanted to make sure that the City is not asking for more money, that the City is just asking to be allowed to spend the money that is already in our budget. Finance Director Sullivan verified that this is correct. Vice-Mayor Peterson asked Finance Director Sullivan what would happen with the excess revenues if the Alternative Expenditure Limitation did not pass? Finance Director Sullivan stated that the excess revenues would go into the fund balance where we would invest it into the City's bank. Finance Director Sullivan stated that if the Alternative Expenditure Limitation does not pass that the City would have to

wait for 2 years before it could be put on the ballot again. Councilmember Dixon asked what the Constitutional basis for the Alternative Expenditure Limitation is. Finance Director Sullivan said that it is ARS 41-563.01. Councilmember Dixon asked Finance Director Sullivan how much the City has in savings right now. Finance Director Sullivan said that it is over \$500,000.00. Mayor Cobb asked the audience if there is any public comment. There was none. Mayor Cobb commented on how important the Census is in projecting our budget based on population. Councilmember Dixon asked Finance Director Sullivan where he got the population numbers from. Finance Director Sullivan said that the population numbers come from the Arizona Auditor General's Office. Finance Director Sullivan said that if the Council votes to put this on the ballot the population numbers may have minor changes because the Arizona Auditor General Office is still updating the City of Holbrook's numbers. Councilmember Dixon made a motion to close the Public Hearing at 6:20 p.m. Councilmember Kester seconded the motion. The motion to close the Public Meeting passed with the following results: Councilmember Dixon "Aye", Councilmember Kester "Aye", Councilmember Marsh "Aye", Councilmember Payne "Aye", Vice-Mayor Peterson "Aye" and Mayor Cobb "Aye".

Adjournment:

There being no further business to come before the Council, the Special Meeting was Adjourned at 6:20 p.m.



Phil Cobb, Mayor

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of

the Special Meeting of the Holbrook City Council held on the 20th day of November 2018. I further certify that the meeting was duly called and held and that a quorum was present.

A handwritten signature in black ink that reads "Cher Reyes" followed by a stylized flourish or set of initials.

Cher Reyes, CMC, CPM, City Clerk