

RESOLUTION NO. 2013-02

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, APPROVING THE PAVEMENT MANAGEMENT PROGRAM AND AUTHORIZING THE NECESSARY BUDGET TRANSFERS TO FUND THE PROGRAM.

WHEREAS, pavement management is considered a “core service” for the Town of Fountain Hills (the “Town”); and

WHEREAS, at the August 23, 2012 Town Council/Staff Retreat, the Mayor and Council of the Town (the “Town Council”) made establishment of a Pavement Management Program a top priority to be addressed; and

WHEREAS, the Town street system is estimated at \$150,000,000 replacement value, making preservation of existing streets essential to the fiscal health of the Town; and

WHEREAS, the 2009 Stantec Engineering Report indicated that the Town’s pavement earned a rating 67.1 out of 100, which indicated that the Town’s pavement ranged from good to excellent, but noted that, due to the age of the pavement, degradation of the pavement could accelerate without a proper annual pavement maintenance program; and

WHEREAS, the Town Council desires to have the Fountain Hills Pavement Management Program funded annually with existing funds, beginning with \$867,000 in FY 2012/13 and increasing to \$1.0 Million annually thereafter; and

WHEREAS, the Town Council finds and determines that it is in the best interest of the Town that funding for a Pavement Management Program be generated from existing sources, including: (i) transfers of certain Highway User Revenue Fund (“HURF”) and Vehicle License Tax (“VLT”) amounts; (ii) cancellation of certain projects in the Town’s Capital Improvement Plan (“CIP”); (iii) outsourcing of certain functions and (iv) reductions in force to eliminate five staff positions; and

WHEREAS, the Town Council will review the funding sources for the Pavement Management Program annually through its budget process to determine if other sources of revenue are available and appropriate for funding the Pavement Management Program.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, as follows:

SECTION 1. The foregoing recitals are incorporated as if fully set forth herein.

SECTION 2. The Fountain Hills Pavement Management Program is hereby designated the same Priority Level in the Town budget as Public Safety.

SECTION 3. In order to provide funding to the Pavement Management Program in fiscal year 2012/13, the Town Council hereby authorizes the budget appropriation transfer of \$867,000 in General Fund, Highway User Revenue Fund, and Capital Project funds, should they be available in the current 2012/13 Town Budget, beginning April 2013 as follows:

Contingency Transfer from General Fund to HURF	\$300,000
Economic Development General Fund Budget Savings	\$ 80,000
Information Technology Online Storage Project General Funds Savings	\$ 8,000
Highway User Revenue Fund Balance Reserves	\$100,000
Household Hazardous Waste Event General Fund Savings	\$ 45,000
CIP project – Saguario/Palisades signal deferral to 2014/15	\$256,000
CIP Intelligent Transportation System Project Elimination	\$ 53,000
CIP Contingency	<u>\$ 25,000</u>
TOTAL	\$867,000

SECTION 4. Beginning in fiscal year 2013/14 and continuing annually thereafter until directed otherwise by the Town Council as part of its annual budget process or separately at a public meeting, all revenues received from the Town’s portion of Vehicle License Tax shall be designated for the Pavement Management Program.

SECTION 5. Beginning in fiscal year 2013/14 and continuing annually thereafter until directed otherwise by the Town Council as part of its annual budget process or separately at a public meeting, a minimum of \$250,000 shall be apportioned from the HURF revenues for the Pavement Management Program.

SECTION 6. The Town Council, by approving this Pavement Management Program, understands that commencing in March 2013, the Town Manager intends to undertake certain actions in order to fund the Pavement Management Program, including (i) initiating a reduction in force program by eliminating five positions: two in Administration; one in Community Services; and two in Development Services (street sweeping outsourced and one vacant HURF position) and (ii) reducing the operational budget for the Administration Department by reclassifying the Human Resource Director’s position from full-time to part-time (30 hours per week) by June 30, 2013. The reduction in force plan is more fully described in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 7. Beginning with the FY 2013/14 budget and continuing thereafter until directed otherwise by the Town Council as part of its annual budget process or separately at a public meeting, the Town Council hereby authorizes and directs the Town Manager to transfer the Economic Development Tourism Initiative appropriation to the Downtown Excise Tax Fund.

SECTION 8. Beginning with the FY 2013/14 budget and continuing thereafter until directed otherwise by the Town Council as part of its annual budget process or separately at a public meeting, the Town Council hereby authorizes and directs the Town Manager to reduce the Contingency Fund portion of the General Fund from \$300,000 annually to \$65,000 annually.

SECTION 9. Beginning with the FY 2013/14 budget and continuing thereafter until directed otherwise by the Town Council as part of its annual budget process or separately at a public meeting, the Town Council acknowledges that the total of the reductions to be recommended by the Town Manager shall include the following:

A. Community Services:

Reduce one staff position in Parks Department	\$ 43,300
Reduce Program Budgets to:	
Ballet Arizona	\$ 7,000
Homecoming Parade	\$ 3,600
Homecoming Tailgate Party	\$ 1,500
Sock Hop	\$ 2,150
New Teen Programs	<u>\$ 2,450</u>
COMMUNITY SERVICES TOTAL	\$ 60,000

B. Development Services:

Reduce outside contract for inspections	\$ 30,000
Reduce expenditures for code abatement	\$ 5,000
Eliminate household hazardous waste event	\$ 45,000
Eliminate purchase of GIS equipment	<u>\$ 25,000</u>
DEVELOPMENT SERVICES TOTAL	\$ 105,000

C. Administration Department:

Reduce one PT Position in Finance	\$ 17,000
Reduce one FT position Court	\$ 50,000
Reduce one FT position to PT in Administration	\$ 40,000
Reduce Economic Development	
General Fund budget	\$ 90,000
Reduce General Fund Contingency	
to previous years	\$ 285,000
Transfer Tourism appropriation to Downtown Fund	<u>\$ 103,000</u>
ADMINISTRATION DEPARTMENT TOTAL	\$ 585,000

D. Streets Department:

Outsource street sweeping program (1 FTE)	\$ 50,000
Eliminate vacant street maintenance position	\$ 50,000
Reduce HURF operations budget (programs)	\$ 75,000
Current Pavement Mgmt. Funding in HURF	\$ 50,000
Drawdown of HURF Reserves (max 6 years)	<u>\$ 25,000</u>
HURF TOTAL	\$ 250,000

TOTAL REDUCTIONS: \$1,000,000

SECTION 10. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, January 17, 2013.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:


Linda M. Kavanagh, Mayor


Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:


Kenneth W. Buchanan, Town Manager


Andrew J. McGuire, Town Attorney

**EXHIBIT A
TO
RESOLUTION NO. 2013-02**

[Reduction in Force Plan]

See following page.

**Reduction in Force
2012-13**

Elimination of Five (5) positions:

1. Court Clerk – Full-time
2. Financial Services Tech – Part-time
3. Groundskeeper – Full-time
4. Street Maintenance Technician, Sweeper – Full-time
5. Street Maintenance Technician – Full-time – currently vacant

Reclassification of one (1) position:

1. Human Resources Administrator from full-time status (40 hrs/wk) to part-time status (30 hrs/wk)

Criteria for layoffs:

1. Workload
2. Credentials/Knowledge
3. Performance
4. Salary
5. Seniority (tiebreaker only)

Severance Package:

The employees that are currently filling the four positions being eliminated will receive a severance package consisting of one week of their regular pay for each year of service. In addition, they will receive one month of COBRA paid by the Town of Fountain Hills.

Process:

The Town Manager, Department Director and Human Resources Administrator will meet with the four employees on a designated date to notify the affected employees and explain the severance package. COBRA forms will be distributed to each individual at that time.