

City of Willcox Newsletter January 2011

City Finances - 2011

Pat McCourt, City Manager

The City is beginning to develop its budget for the Fiscal Year (FY) that begins July 1, 2011 and ends June 30 2012. While most people think of the City as one big pot of money, some people seem to think it is a money tree; the reality is that the City is actually several independent companies (we call them Funds), each with its own set of books and limitations on how the money in each of those Funds may be spent.

The clearest example may be the "Enterprise Funds". These are operations that are similar to a private business. In Willcox there are four (4) Enterprise Funds: Water, Sewer, Gas, and Solid Waste (Garbage). Each of these funds collect payments from the users of the service and the money collected pays for the costs of operating the services. Each year, the estimated costs and the income are compared to make sure the Fund does not go bankrupt. If necessary, the City Council will change the rates to assure the fund is being properly operated. These Enterprise funds are in fairly good fiscal shape. The cash income is covering the cash expenses, but there are likely to be some changes in the future. The contract for collection of refuse is expiring June 30, 2011; the contract is being bid out to secure the lowest cost of service from private carriers. It is unknown at this time what that cost may be; depending on the new costs, the rate may change.

Additionally, the cost of disposing of the refuse at the transfer station continues to increase each year; this will cause the rates to increase. The Water and Gas Funds are covering their cash requirements; there have been improvements in the Water Fund that the City was able to achieve within the existing rate structure. While there is a need for additional improvements to assure safe delivery, those have not been budgeted yet. The Gas Fund has a possible problem with the single supply line which feeds the entire City; last year due to a problem with an orifice, the supply of gas was inadequate and pressure was lost throughout the City; this resulted in gas outages throughout the City. This same type of problem can occur due to the size of the existing line and anything that would interrupt the single supply line; while options have been discussed, they are all expensive and there does not appear to be any grant funding available to assist in this area.

Therefore, any steps taken to improve the system will result in increases in the cost of gas.

The Sewer Fund is not in compliance with the requirements of the Clean Water Act. The sewage being received is not getting sufficient treatment to clean it up prior to it being used at either Cochise Lake or the Golf Course (for Watering). This must be addressed to protect our health and the water supplies in the area. The City has been exploring several options, and has selected an option which should provide for a safe and efficient operation. The City is pursuing both grant and low cost loans to pay for the improvements. It is extremely likely the costs of improvements and operating costs will result in an increase in the rates paid for sewer service.

The Streets Fund (also known as the Highway User Fund) is currently balanced over the next five (5) years. I say this tentatively, since a considerable portion of the funding comes from sources controlled by the State Government. The State has HUGE budget

problems and there are indications that the State may try to fix their problems by taking away money currently being shared with the Cities and Counties. The General Fund, which performs most of the services in the City: Elections, Police, Fire, Parks, Swimming pool, Ball fields, Community Center, Building Maintenance, Code Enforcement, the Library, and Administration has a large problem. The cost of the current level of services being provided exceeds the income to the General Fund. The City of Willcox is not alone in this position. You have undoubtedly seen stories in the news or in the papers of the steps being taken throughout the Country to address the shortfall. The City of Willcox is also taking those steps. As the City continues to reduce services, the impact will become more pronounced and have an effect on more groups that use the City services to achieve their goals. This will create more conflict. We at the City will try to minimize the effect on the citizens. We hope you will work with us to achieve the fiscally responsible steps necessary to operate government.

LIBRARY THANKS ITS 2010 VOLUNTEERS!

Tom Miner, Library Director

The Elsie S. Hogan Community Library staff is proud to recognize 15 members of the Willcox community for contributing a **grand total** of **748** volunteer hours in 2010! Joseph L.T. Aiman, Jr. takes “**Top Volunteer of the Year**” honors this year. He single-handedly contributed over **469** hours, followed by Debbie Soto, who contributed **78** man-hours. Brianna Mastronardi rounded out the top three with **62** hours. We also especially want to thank Gayle Berry, Donna Boehm, Bonnie Diehl, Leah Guskjolen, Kay Harper, Kim Healey, Charlotte Leonard, Ben Noland, Peggy Ottens, Mikayla Ross, Jeffrey Shroyer and Carolina Valencia for contributing the remaining man-hours.

We also want to take this opportunity to sincerely thank our main support group, the **Friends of the Library**, for all the hard work they’ve done and continue to do, behind the scenes, and in the Friendly Book Store, located at 165 N. Haskell Ave. **Thank you all very, very much!**

From the Office of the City Clerk...

Cristina G. Whelan, CMC

City Council Meetings

Monday
Feb 7, 2011

&

Monday
Feb 21, 2011

7:00 p.m.
City Council Chambers
300 W. Rex Allen Drive