

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD MARCH 8, 2010 AT 6:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor Fenn called the meeting to order at 6:00 p.m. with the pledge of allegiance.

ROLL CALL:

Present were: Mayor Mark M. Fenn, and Councilmembers Jo Deen Boncquet, David Lambert, John Lodzinski, Lori McGoffin. Excused were Vice Mayor Toney King, Sr. and Al Sacco.

NEW BUSINESS:

1. Presentation of Department Head's goals, both short-term and long-term, as requested by Council to update the City of Benson's Strategic Plan adopted by Mayor and Council on June 12, 2006

Mayor Fenn stated that at the City Council Retreat held in October 2009 direction was given to staff to have them come before Council in March 2010 with a list of their goals which will be part of the Strategic Plan and will also be incorporated into the budget process. Mayor Fenn then turned the time over to City Manager Glenn Nichols. Mr. Nichols stated that everybody has prepared their information as to what their long and short term goals are in preparation for this worksession. Mr. Nichols states they are being presented to the Council for review, and to be brought back for discussion at a later time. Mr. Nichols turned time over to City Clerk Vicki Vivian. Ms. Vivian explained that she was tasked with taking the minutes of the retreat and incorporating those comments from Council into the Strategic Plan. Ms. Vivian stated that in doing this she had deleted any goals that had already been accomplished or that were no longer relevant and any changes that were made were in red in the copy of the Strategic Plan that is in the packet. Ms. Vivian stated that the only comments that were incorporated into the Strategic Plan were those made by Council at the retreat, none of the department goals have been incorporated as of yet. Mayor Fenn opened the floor for discussion regarding the reports.

2. Pre-Budget Presentation to address the City's financial position at the end of Fiscal Year 2009-2010, and the end of Fiscal Year 2010-2011 based on current assumptions. The presentation will also address potential shortfalls due to circumstances outside the City's control and the potential actions the City can take to counterbalance shortfalls in revenue

Finance Director Jim Cox began by saying that this is a pre-budget worksession and feels that it should be addressed outside of the regular budget process because he will be talking about unforeseen contingencies that could occur. Mr. Cox stated the contingencies are more a part of emergency preparedness and they won't be part of the regular budgeting cycle. Mr. Cox stated right now we are living in a pretty unsettled financial climate and need to all be on the same page as far as how to respond to these changes. Mr. Cox gave a brief update as to where the City stands right now; the unrestricted cash balance is \$2.3 million as of January 31, 2010. Mr. Cox projected that at the end of this fiscal year the General Fund will be minus \$300,000, which is not desirable but is manageable. Mr. Cox stated that the forecast for the fiscal year 2010-2011 is that the General Fund will be down about \$200,000 beyond the \$300,000 from this year for a total of \$500,000 over the 2 years. Mr. Cox stated that the City has to be prepared to deal with outside factors if the City's revenue stream is adversely affected, such as by the states budget. Mr. Cox stated that some of the General Fund Revenues are received from State Shared Revenues, which has been decreasing and will continue to decrease dramatically. Mr. Cox stated that another place the City may receive General Fund Revenues is through a portion of the state wide sales tax collections, which has also gone down. The final portion of monies the City receives from the state is from the Highway User Funds. The Highway User Funds do not go to the City, however if they are not coming in the street expenses that would normally be covered by the Highway User Funds will come from the General Fund. Mr. Cox stated that the total amount that the City expects from the state to the General Fund is \$1.1 million to compare with the

projected General Fund Expenditures which is \$4.2 million which is 25% of the General Fund Budget. Mr. Cox stated the goal is not to cut City services, but to cut expenses involved in providing City services. Mr. Cox stated the reason for making a contingency plan is because at any time an unexpected expense could be brought before Council and could cause decisions to have to be made quickly. Mr. Cox then stated that there are two ways to cut costs, one is to cut expenses and the other to cut personnel costs. Mr. Cox gave a few examples of possible expenditure reductions and the dollar amount of savings for each one of them which totaled about \$40,000 per year. Mr. Cox stated that 71% of the General Fund Budget is spent on personnel expenditures. Mr. Cox discussed a few of the ways to reduce personnel expenditures starting with early retirement, voluntary time off without pay, furloughs, salary reduction plan, layoffs and benefit plan adjustments; these were given in increasing order of severity. Mr. Cox discussed each of these items and the potential savings to the City if they become necessary.

ADJOURNMENT:

Councilmember McGoffin moved to adjourn at 6:49 p.m. Seconded by Councilmember Lodzinski. Motion passed 5-0.

Mark M. Fenn, Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk