

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD OCTOBER 27, 2014 AT 7:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Vice Mayor Sacco called the meeting to order at 7:00 p.m. with the Pledge of the Allegiance. Vice Mayor Sacco then introduced Sarah Isakson of St. Raphael in the Valley church who offered the invocation.

ROLL CALL:

Present were: Vice Mayor Al Sacco, Councilmembers Pat Boyle, Jeff Cook, Chris Moncada and Peter Wangsness (via phone). Absent was: Mayor Toney D. King, Sr. and Councilmember Ron Brooks.

EMPLOYEE RECOGNITION: None

PROCLAMATION:

Vice Mayor Sacco asked Councilmember Moncada to read the proclamations. Councilmember Moncada first read a proclamation declaring November, 2014 as "American Diabetes Month," then read a proclamation declaring November 1, 2014 as "Extra Mile Day."

PUBLIC HEARING: The Mayor and Council will be available to receive comments from the public regarding the use of approximately \$198,141 in Fiscal Year 2014 Federal Community Development Block Grant (CDBG) funds from the Arizona Department of Housing Regional Account (RA).

City Clerk Vicki Vivian stated this is an additional public hearing for the Fiscal Year 2014 Community Development Block Grant (CDBG), adding two public hearings were held in December, 2013 and a third public hearing was held on September 8, 2014. Ms. Vivian stated the additional public hearings are required due to a publication error which omitted the special accessibility need information. Ms. Vivian then stated the public hearings are held to gather citizen input on the use of CDBG funds and the Fiscal Year 2014 CDBG application. Ms. Vivian then read a statement informing the public about some of the projects completed in the past with CDBG and the criteria projects must meet to be eligible for the funding.

Vice Mayor Sacco then opened the public hearing at 7:07 p.m. stating there was no one signed up to speak during the public hearing and asked if there was anyone present who wished to speak.

Councilmember Wangsness stated he would like the Council to consider widening the sidewalk on Union Street going to the Senior Center because there are utilities blocking a portion of the sidewalk, causing people in wheelchairs having to go into the street in order to get to the center. Councilmember Wangsness stated an addition to the left of those utilities could eliminate the problem and safety hazard. Vice Mayor Sacco asked City Manager William Stephens to look into the matter with Mr. Stephens stating he would do so.

Diane Comaduran then asked to address the Council, stating she had some questions regarding the grant. Ms. Comaduran then stated she was not prepared to address Council, but wanted to know if people could start applying now for the next grant cycle. Councilmember Moncada answered Ms. Comaduran stating the CDBG is not a grant that individual people can apply for, noting the funds are given to cities to use for public infrastructure and things like that. Councilmember Moncada then stated if people want the money used for certain projects, they can speak at the public hearings and let the Council know about their ideas and if the ideas fit the criteria, the Council can consider them. Ms. Comaduran then asked if people who make less than \$40,000 could qualify with Councilmember Moncada again stating this is not a grant that individual people can apply for. Ms. Comaduran then asked if there were grants available for people who make less than \$40,000 a year with Councilmember Moncada stating there may be grants available that would be what Ms. Comaduran was looking for, but the CDBG funding was not one of them.

Councilmember Wangsness then stated the City's website noted the public hearing would be held October 13 and asked if the public hearing had to be advertised again with City Clerk Vicki Vivian stating this public hearing process is the only one that requires notices being posted throughout the City, adding there are approximately 25 notices posted throughout the City which satisfies the grant requirements. Mr. Hamilton then stated the City's website is not the official posting and is not required.

Vice Mayor Sacco then asked if there was anyone else present who would like to speak. After receiving no additional requests to speak, Vice Mayor Sacco closed the public hearing at 7:13 p.m.

CALL TO THE PUBLIC: None

CITY MANAGER REPORT:

City Manager William Stephens addressed Council, giving the dates of upcoming meetings and events.

- Tuesday, October 28, 2014 – Community Watershed Alliance, 6:30 p.m., City Hall
- Wednesday, October 29, 2014 – Planning & Zoning Worksession, 7:00 p.m., City Hall
- Monday, November 3, 2014 – Benson Economic Development Committee, 6:00 p.m., City Hall
- Tuesday, November 4, 2014 – Planning & Zoning Worksession, 7:00 p.m., City Hall
- Friday, November 7, 2014 – Planning & Zoning – General Development Plan Open House, 8:30 a.m. – 12:00 p.m., City Hall
- Monday, November 10, 2014 – City Council Meeting, 7:00 p.m., City

- Tuesday, November 4, 2014 – Election Day
- Tuesday, October 28, 2014 – A free seminar provided by the City of Benson's Attorney, for the Citizens of Benson. The seminar topic is "New Health Care Law and How it May Affect You – as an Employer or Individually," 6:00 p.m. to 7:30 p.m., at the Benson Community Center, 705 West Union Street, Beverages and Snacks will be included.
- Tuesday, November 11, 2014 – Veterans Day – City Offices Closed
- Tuesday, November 25, 2014 – Tree Lighting Ceremony, the Benson Museum and Quilt Gallery, 180 S. San Pedro Street. There will be music from The Bost Family Traditions, Children's Crafts, Guest Speaker, Tree Lighting, Santa will visit and there will be refreshments. Festivities will begin at 6:00 p.m.

Mr. Stephens then informed the public that they could find out about events happening in Benson by visiting the City's website: www.cityofbenson.com under "What to do Today."

NEW BUSINESS:

1. **Discussion and possible action on the Consent Agenda**

- 1a. Minutes of the September 22, 2014 Regular Meeting
- 1b. Invoices processed for the period from October 1, 2014 through October 15, 2014

Councilmember Moncada moved to approve the Consent Agenda. Seconded by Councilmember Boyle. Motion passed 5-0.

2. **Resolution 28-2014 of the Mayor and Council of the City of Benson, Arizona, authorizing the submission of an application(s) for FY 2014 State Community Development Block Grant (CDBG) Funds, certifying that said application(s) meets the Community's previously identified housing and Community Development needs and the requirements of the State CDBG Program, and authorizing all actions necessary to implement and complete the activities outlined in said application(s)**

Councilmember Wangsness asked if this item should be placed on the next Council meeting agenda due to

having held the final public hearing at this meeting with Public Works Director Brad Hamilton stating the Council is allowed to pass a resolution following the public hearing. Mr. Hamilton then stated this resolution was previously approved by the Council after the public hearings were held in December, 2013, but due to the publication errors, the federal government wanted the public hearing process repeated. Councilmember Moncada moved to approve Resolution 28-2014. Seconded by Councilmember Boyle. Motion passed 5-0.

3. **Review of City Finances with emphasis on September financial results and the City's financial position at September 30, 2014**

Finance Director Megan Moreno addressed Council stating she was happy to be back after having been gone on maternity leave for two months. Ms. Moreno then reviewed financial highlights for the month of September, stating the overall unrestricted cash is at \$780,000, which is below the \$1 million mark where it was last year. Ms. Moreno then stated the City hasn't requested a bond draw since there have been no projects done that would qualify for bond proceeds reimbursement, adding the bond proceeds remain at \$1.12 million. Ms. Moreno then stated revenues did exceed expenses for the entire City by \$35,000 for the month of September, adding the City is only down \$2,000 for the year, noting at this time last year, the City was already down \$156,000. Ms. Moreno then stated the year usually starts out with a negative fund balance because the bond payment, which is over \$300,000, hits July 1 and the City hasn't hit the strong revenue generating months yet to help recover from that payment. Ms. Moreno then stated revenues overall for the month were \$598,000, which is down from this time last year, adding year-to-date revenues are \$2 million, which is down \$137,000 from this time last year also.

Ms. Moreno then moved to expenditures, stating personnel costs citywide were down \$137,000 compared to last September, due to implementing furloughs and to attrition, adding all City employees will have taken 10 furlough days before the end of December and there have been some positions, lost for various reasons, that haven't been filled. Ms. Moreno then stated other expenditures are also down, adding not only are there savings in personnel costs, but there are also savings in all other operating expenses of the City, noting during the budget process, every department was hit hard with budget cuts resulting in reduced spending overall. Vice Mayor Sacco asked how much of the personnel savings was from attrition and how much was from furloughs with Ms. Moreno stating she could get that information for the Council.

Ms. Moreno then moved to the General Fund, stating revenues overall are \$328,000, which is a \$3,000 decrease from last September. Ms. Moreno then stated personnel expenditures in the General Fund are also down, due to attrition and furloughs adding the vacant position of the Building Official/Planning & Zoning Director is allocated to the General Fund. Ms. Moreno then stated the City experienced a positive fund balance in the General Fund of \$43,000 for the month of September, which is down \$133,000 for the year, but noted it is a turnaround from this time last year, adding the City is improving.

Ms. Moreno then addressed the Enterprise Funds, stating the Gas Fund is positive year-to-date, adding the balance should increase as we move into colder months and are purchasing and selling more natural gas. Ms. Moreno then stated the Water Fund is doing well with a positive year-to-date fund balance of \$74,000, the Wastewater Fund is also doing well, adding extra revenue is being generated by hauling and the Sanitation Fund is also in the positive. Ms. Moreno then stated the Golf Course is operating in the negative and is down \$69,000 year-to-date, adding \$60,000 of that is attributed to Golf Course operations and maintenance and the remaining \$9,000 is attributed to Food & Beverage. Councilmember Cook asked how the Golf Course compared to prior years with Ms. Moreno stating the overseeding project done at the end of September and beginning of October attributed to revenues being down, adding the overall revenues for the month of September were down about \$31,000 from last year. Ms. Moreno then stated the Golf Course was down \$69,000 year-to-date compared to being down \$45,000 year-to-date last year at this time. Vice Mayor Sacco asked about the new Director of Golf with City Manager William Stephens introducing Mr. Joe Delvecchio, adding Mr. Delvecchio's first day was October 13. Council welcomed Mr. Delvecchio and wished him luck.

Ms. Moreno then reviewed sales tax comparing current collections to the previous two years, stating the collections are following along where they were last year. Ms. Moreno then stated City retail sales tax does

not include Bed Tax or Construction Sales Tax. Vice Mayor Sacco asked why collections are up and down with Ms. Moreno stating a lot of different factors could cause fluctuations such as the market, special events being held in certain months and not in others and people filing on a quarterly basis or an annual basis instead of a monthly basis. Ms. Moreno then stated the Bed Tax collection doesn't show any major changes and is pretty much in line with last year, hovering around \$5,000 a month, which is typical. Vice Mayor Sacco asked what affects Bed Tax with Ms. Moreno stating there will be a spike in December's results, which is based on October collections and noted October is when there are quite a few events in the area, such as Butterfield Stage Days, Homecoming, Helldorado Days and Rex Allen Days. Ms. Moreno then stated we will also see an increase through the winter months from winter visitors. Ms. Moreno then stated Construction Sales Tax is actually showing in the negative due to some refunds, but there was nothing that could be done about that, adding even without the refunds, the collection would still be lower than last year. Ms. Moreno then stated the total City sales tax, which is a combination of retail sales tax, Bed Tax and Construction Sales Tax, are down from last year, but noted a big contributor of the decrease was the refund of the Construction Sales Tax. Ms. Moreno then reviewed the State sales tax collections, noting the slight improvements and that it is following consistently with last year, which is great. Ms. Moreno asked if there were any questions with Councilmember Cook stating he would like to see an additional prior year in the presentation. Vice Mayor Sacco thanked Ms. Moreno for her presentation.

DEPARTMENT REPORTS: None

ADJOURNMENT:

Councilmember Moncada moved to adjourn at 7:32 p.m. Seconded by Councilmember Boyle. Motion passed 5-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk