

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
AND THE BENSON ECONOMIC DEVELOPMENT COMMITTEE
HELD MARCH 9, 2015 AT 6:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 6:02 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Lori McGoffin, Councilmembers Pat Boyle, Jeff Cook, Joe Konrad, David Lambert and Peter Wangness (via phone).

Also present were: Benson Economic Development Committee Chairperson Mike Berryhill and Benson Economic Development Committee Members Councilmember Pat Boyle, Annette Buechel, Mindi Flores, Barbara Nunn and Jennifer Swindle. Absent were: Benson Economic Development Committee members Ron Brooks, John Comaduran and Stephen Insalaco.

NEW BUSINESS:

1. **Discussion and possible direction to Staff about the Benson Economic Development Committee including the Resignation of Ron Brooks, the Resignation of Stephen Insalaco, the Appointment of Debra Crafts and the possible retention, reformation, or dissolution of the committee as in proposed Ordinance 576 of the Mayor and Council of the City of Benson, Arizona, amending the Benson City Code, Chapter 18 "Boards, Commissions and Committees," Article 18-6, "Benson Economic Development Committee" to disband and delete any reference to the Benson Economic Development Committee in the Benson City Code**

Mayor King stated he would like to thank the committee for being at the meeting and he hoped the meeting would be fruitful. Mayor King then stated he would let the Councilmembers speak first.

Vice Mayor McGoffin also thanked the committee for coming, adding she appreciates them volunteering. Vice Mayor McGoffin then stated some people are disgruntled with the committee, but she doesn't think that is fair since the committee has never been directed or told what to do, adding it seems like it would be like trying to fire an employee without giving them any directions. Vice Mayor McGoffin then stated she was hoping the Council could set some goals for the committee so they would know what they are working toward. Vice Mayor McGoffin then stated when she took over the Economic Development Sub Committee (EDSC) after former Councilmember John Lodzinski passed away, the primary focuses were business retention and the shovel ready program. Vice Mayor McGoffin then explained that for business retention, the committee tried to talk to local businesses to see if there was anything the City could do, such as putting on employment job fairs and helping with permitting to let them know the City appreciates them being here. Vice Mayor McGoffin then stated the shovel ready program was to help new businesses see what was here, adding she thinks Mr. Lodzinski did a really good job with that and this is what she would like the BEDC to do. Vice Mayor McGoffin then stated the Southeastern Arizona Economic Development Group (SAEDG) does a lot of great things to bring businesses here and host events and the Chamber of Commerce is good at putting on events and she believes that is their focus, but again, she would like the City's committee to be geared toward supporting the businesses already in town so they don't leave.

Councilmember Boyle stated because of the situation the City finds itself in financially, anything the committee can do to help to stimulate business in town and bring in new events is a good thing, adding the more irons they have in the fire; the more opportunities they have to make something actually work and be a benefit to the City financially. Councilmember Boyle then stated SAEDG, the Chamber of Commerce and this committee should be able to complement each other and work together if one of them has a good idea, adding

one of the three groups might be able to do it which means there is that much more opportunity to help the City financially. Councilmember Boyle then stated he doesn't see any detriment in the City having the committee and in the committee actively looking for things to do and for ways to have these different organizations work together to help the City financially.

Councilmember Konrad stated the last meeting regarding the committee seemed contentious and he didn't like to see that, adding he wanted to see some kind of cohesion. Councilmember Konrad then stated if the Council is going forward with the committee as is, he would like to hear from the BEDC what Council can do to make this better, what roadblocks need to be removed and what the BEDC perceives as roadblocks. Councilmember Konrad then stated the Council is here to help, adding everyone is certainly trying to go the same direction and make the City a better place. Councilmember Konrad then stated the committee members donate their time and that has got to be worth something to the Council, then stated he would like to hear the committee's perception of things as they are and what the Council can do to make a course correction and make it easier.

Councilmember Wangsness stated he was in favor of keeping the BEDC, adding the cost is minimal to the City. Councilmember Wangsness then stated the BEDC is an extension of the City and carries some weight to it, adding there is no reason the committee can't work with other committees formed by the public. Councilmember Wangsness then stated the committee was already torn apart and rebuilt only about a year ago and he thinks it needs more time.

Councilmember Lambert stated everyone touched on a lot of the points he was going to touch on, then stated after the Council's last meeting with everything that happened there and a lot of the friction going on, he called BEDC Chairman Mike Berryhill and met with Mr. Berryhill and BEDC Members Annette Buechel and Jack Comaduran. Councilmember Lambert stated they sat down and discussed problems in the committee and the lack of guidance, which is why the worksession is being held. Councilmember Lambert then stated the Council needs to give the committee direction, adding everyone has the same goal in mind, but the committee is going in one direction and the Council is going in the other direction and trying to meet in the middle. Councilmember Lambert then stated one of the things he asked Mr. Berryhill about is giving the Council updates like the Department reports Council receives, adding this will provide some communication to the Council about what the BEDC is doing and the Council won't be blindsided. Councilmember Lambert then stated his meeting with them lasted almost 5 hours that night and after writing down a few notes of problems the committee was having, he addressed a few of those with Staff, adding the committee is going in the right direction. Councilmember Lambert then stated the reason he brought the subject of the committee forward for Council to discuss was that he knew the previous committee was disbanded and this new committee was formed and he didn't know why, adding he couldn't see a difference in the committees. Councilmember Lambert then stated if the Council has updates from the BEDC, it would be easier for the Council to support them.

Councilmember Cook stated he hasn't changed much since this whole thing started back in May and he doesn't see how giving the committee direction is going to be helpful at all. Councilmember Cook then stated he also doesn't agree that anything and everything the committee can do would be helpful to the City, adding there are a lot of things they could do that would not be helpful to the City. Councilmember Cook then spoke about the roadblocks and stated he had no idea what roadblocks the committee may have other than them misunderstanding what an economic development committee is and possibly Mr. Berryhill's hostility at the podium. Councilmember Cook then stated he didn't feel that guidance or more time would be helpful because economic development is such a nebulous thing, adding it is much more similar to a black art than it is to a science. Councilmember Cook then stated there have been a couple new businesses come into town such as O'Reilly's Auto Parts and the Tractor Supply Company and they went out of their way to avoid the BEDC, adding they came in and looked at whether the City was getting along or not, what sort of traffic patterns there are, what sort of businesses or people or customers they will have coming in from outside of Benson and they do all of this research on their own. Councilmember Cook then stated when a company does go to an economic development committee, it's because they want something or want the City to do something such as exempt them from the City's building codes or give them a tax incentive like the one in place with Wal-Mart that the City is still struggling with, adding it impacts the City's budget and is one of the things that would be harmful to the City. Councilmember Cook then stated another thing they may want is to be given a tax free

zone or trade free zone designation, which would also hurt the City. Councilmember Cook then stated the real businesses that can benefit Benson avoid an economic development committee and pretty much avoid Staff and Council, adding they come here for their own reasons. Councilmember Cook then stated again, the businesses that approach any economic development committee want something in return and he doesn't see how direction, guidance, removing roadblocks, more time or anything else the Council can do is helpful or is going to change anything.

Councilmember Wangsness stated he thought Councilmember Cook was speaking more about the reputation of the committee rather than the existence. Councilmember Wangsness then stated he thought reputations can be turned around, adding the committee may have had a bad reputation in the past, but that doesn't mean they have to maintain that reputation in the future. Councilmember Cook then stated he was speaking about what happens in every City and how businesses deal with economic development committees has nothing to do with the committee's reputation.

Mayor King stated what he wants the committee to take away from this meeting is the understanding, knowledge and direction the Council would like to see the committee go. Mayor King then stated he would also like the committee to know what the City can and can't do for the committee, adding for example, the City doesn't have any funding for grant matches. Mayor King then stated again, he would like the committee to have more knowledge and direction when they leave the worksession.

Councilmember Boyle stated he thought there was a misunderstanding, adding the BEDC doesn't have any authority to enter into any kind of negotiations with businesses of any kind, adding the committee couldn't ever go to a business that is interested in being part of Benson and say a sales tax incentive could be offered. Councilmember Boyle stated the committee doesn't have that authority, adding they don't even have a budget and all they do is basically be a think tank for the benefit of the City in coming up with ideas and ways to sell the City. Councilmember Boyle then stated the committee could never go out on their own and approach an individual company or anything like that, adding anything like that would require the committee to come before the City Council and present the opportunity to them. Councilmember Boyle then stated at that point the committee could work with the Council or the Council could do something on their own, but never would the committee act on its own to go out and enter into some kind of negotiation or anything like that. Councilmember Boyle then stated he wasn't sure he understood Councilmember Cook's argument with that particular issue, because the committee simply doesn't have the authority to do so and it's not part of the committee's purview with Councilmember Cook responding that was his point.

Mr. Berryhill stated communication would solve a whole lot of problems, adding he agrees with Councilmember Boyle that the committee doesn't have the right to represent the City in any way, shape or form in negotiating any type of contract or anything else like that. Mr. Berryhill stated the committee is to research and advise the Council, adding if there's a company that the City is interested in and it fits what the City wants to have brought here, part of the research they can provide is to go and see what the business needs and what it would take to bring them to the City. Mr. Berryhill then stated that would not be making any type of a deal, it would just be gathering information to bring to the Council and then it could go from there. Mr. Berryhill then stated communication is the biggest issue he sees, adding the committee members understand what they are allowed to do and that they cannot represent the City in any negotiations, deals or anything else. Mr. Berryhill then stated when the committee first started, the previous Chairman had them a little bit confused, but they are hearing what the Council wants and if the Council would like to get into the details of what they want done, they could do that also. Mr. Berryhill then stated he would like to suggest that the Council let the committee try some new things too, adding if something stays the same, it gets stagnant and doesn't go anywhere and he believed the committee needed to try some new things.

Mayor King asked if any other committee members wished to speak with Committee Member Mindi Flores stating her understanding was that the committee was an advisory committee only, adding their function is research and communication.

Mr. Berryhill then stated if the committee had something they're interested in, such as the wind generator station that was supposed to be set up just outside of Willcox that fell through, they could go talk to them and

see what they needed to get the project off the ground and then present information to the Council on what would be needed to attract that company to Benson, then asked if anyone thought about using a tank of gas to go talk to that company. Mr. Berryhill then stated he understood there had been about three solar plants that have been trying to come to Benson and asked if he was correct with Mayor King stating there had been some discussions on projects but nothing had moved forward. Councilmember Lambert stated there had been talk of two manufacturing plants that were going to come here and one was supposed to be a solar farm generating electricity. Mr. Berryhill asked if one was supposed to be down on the road leading to the airport with Vice Mayor McGoffin stating a landowner created a solar park trying to get solar businesses onto their property. Councilmember Wangsness then stated one project was discussed by a company called Matinee Energy, but it was a con job and there was never any intention to move forward with the project, adding all they were doing was trying to get money out of investors. Mr. Berryhill then stated he thought there were two or three coming that had to do with solar clean technology and that he believed this was an industry that Benson was looking for. Mr. Berryhill then stated there's always someone trying to do this somewhere and he believes in investigating and communicating with them to find out what they need to put one in Benson, adding with all of Benson's low shrubbery and everything else, it's a clear shot to the sun and we have the room, literally.

Councilmember Konrad stated one of the considerations with the electricity generating station was the cost of transmission, adding were they to build a solar facility somewhere it would need to be in proximity of where it would be economically feasible to tie into existing transmission lines because to install transmission lines would be a huge expense. Councilmember Konrad then stated it is one thing to build a plant somewhere but it's another thing to transmit the power from that plant to the grid, adding those are obstacles to be aware of when looking at that type of a project.

Mr. Berryhill then stated one of the things he was looking at was a small plant on less than 20 acres, providing total electric supply to 400-600 homes, adding the total investment on the plant was supposed to be \$1.5 to \$2 million. Mr. Berryhill then stated they were going to do the project in small increments instead of it being a multi-billion dollar project. Mr. Berryhill then stated that is one of the things he was investigating to see what it would take, but the two places they were looking at were the major transformer station where the old Stuckey's is and where they built the Arizona Electric Power building.

Mayor King stated the worksession needed to get back on track to discuss the Council's direction for the BEDC with Councilmember Konrad stating the City Code, Article 18-6, "Benson Economic Development Committee" laid out pretty clearly what the powers and the responsibilities or expectations of the committee are, adding it's not a lot of reading material there, so he's not sure where the disconnect is as far as what the mission is and what the mission is interpreted to be. Councilmember Konrad then stated he thinks it does a really good job of laying it out, adding it mentions the committee reaching out to business owners, to SAEDG and to the Sierra Vista group, adding he thinks there is already something in place that essentially should work.

Mayor King stated a mission statement is very important as it provides guidance, adding the committee also needs to provide reports to the Council, whether it be at City Council meetings or something they put in the Councilmembers' mailboxes at City Hall. Mayor King then stated the reports will open communication and let the Council would know what the BEDC is doing, adding the Council could decide to meet with the BEDC again, if needed. Mayor King then stated this may help stop the naysayers and will also give the Council information about what the BEDC is working on so the Council could discuss it, if they felt it was needed.

Councilmember Konrad stated in the City Code, Chapter 18, Section 18-6-2, paragraph D states the committee will provide recommendations to the Mayor and City Council and City Manager on the annual budget, adding the Council is looking for all the help they can get in that area. Councilmember Konrad then stated since it's one of the specified duties of the committee, they might give that some thought into where economic development plays into the Council developing a good budget for the coming year.

City Attorney Gary Cohen stated from the legal perspective, he appreciates Councilmember Konrad mentioning the ordinance, because he wrote it with the idea of giving some guidance to the committee as to what their powers are and what they are not. Mr. Cohen then stated he also appreciates Mr. Berryhill mentioning that he clearly understands that the committee only has advisory power, adding he didn't think it

was any secret that under the prior leadership of this committee, there was some confusion about that and he is glad to hear that Mr. Berryhill understands the role of the committee. Mr. Cohen then stated open meeting laws are very important, adding a committee of the Mayor and Council has to follow open meeting laws, noting he gets a little antsy about it, because if those get violated by a committee, it's still the City's problem, which is his problem. Mr. Cohen then stated he knows Mr. Berryhill has been good about talking to the City Clerk about things the committee has to comply with on the agenda to follow those rules. Mr. Cohen stated Mr. Berryhill brought up his clear understanding of the committee's mission and stated through discussions Mr. Cohen has had with City Clerk Vicki Vivian, he knows that Mr. Berryhill has been conscientious about it. Mr. Cohen then stated there may have been some natural growing pains in the committee, but the fact is that now there is a clear understanding and he appreciates those things being brought up.

Mayor King asked Mr. Berryhill if he had any questions about the ordinance or any other questions, adding if the committee thought they might have any misunderstandings, those issues could be clarified now. Mr. Berryhill stated it would require another 4½ hour meeting to answer all the questions the committee has because the committee wants to understand the avenues the Council wants them to pursue and they want to give the Council ideas also. Mayor King then asked if the committee understood the ordinance with Mr. Berryhill stating they did. Mr. Berryhill then stated he was the new Chairman of the committee and he was trying to run it correctly, noting he has spoken with Ms. Vivian several times and she has been very helpful in explaining things and helping with the language on the agendas, adding she is efficient and is helping the committee get past their growing pains and move forward.

Mr. Cohen stated if Ms. Vivian was not available or if the committee had follow up questions on legal issues, they could also contact him, adding the committee is an extension of the Council and it's his job to make sure everything was legal.

Mayor King stated he thought Mr. Berryhill could see that the City Council is reaching out to the committee and they are asking the committee to continue reaching out to the Council, adding this is a good start and communication needs to be maintained moving forward.

Councilmember Lambert stated he wanted to commend Mr. Berryhill, adding he can see a difference in the committee's meeting discussions since Mr. Berryhill became the Chairman in December and can see that the committee is going in the right direction. Councilmember Lambert then stated communication is key, adding the more information the committee can get to Council, the easier it is for Council to help the committee should they get off track. Councilmember Lambert then stated he wanted to point out that Committee Member Annette Buechel, at her own expense, took a class on grant writing to become certified. Councilmember Lambert then stated he felt that a lot of information the committee was discussing went too far, but after talking to Mr. Berryhill, he could see where the committee's mindset is in trying to bring businesses and people into Benson. Councilmember Lambert then stated Debra Crafts isn't on the committee, adding she has an application pending; then stated she is one of the people spearheading the BMW Iron Horse event in April, which he hopes is a big success.

Mayor King stated if the committee gets stuck on something and needs to communicate with the Council, they should feel free to contact him or other Councilmembers any time.

Committee Member Jennifer Swindle stated she was new to the committee, then stated she keeps hearing that the reputation of the prior committee was being placed on the new committee, adding the new committee is trying to turn things around. Ms. Swindle then stated she has been commuting to Benson every morning and evening for the past year and she listens to the local radio station each morning after a Council meeting, adding the Council hasn't had the best reputation either. Ms. Swindle then stated the new committee has done a great job and asked Council to give the committee time to get over the reputation the prior committee had.

Councilmember Boyle stated he thought the Council should give the committee direction and that he would like a monthly report from the committee that includes the top 5 projects they are working on that they feel is the most important. Councilmember Boyle then stated the committee meets on the first Monday of every month, so possibly the report could be given to Council by the middle of the month.

Councilmember Wangsness stated he was on the Benson Clean & Beautiful committee, adding the members get an email with the last meeting minutes and the agenda for the next meeting and he thinks that would be a good way to keep everyone informed. Mr. Berryhill then stated monthly reports would be very monotonous until the committee gets something going and asked if the reports could be bi-monthly. Mayor King stated the Council seemed to be good with bi-monthly reports with Councilmember Boyle stating occasionally, the committee may want to provide reports a couple times a month, adding it would depend on the activity of the committee.

Councilmember Konrad stated the City Code, Chapter 18, Section 18-6-2, paragraph B, specifically mentions SAEDG, as someone the committee might interface with and asked if Mr. George Scott of the SAEDG had any input regarding any of this with Mr. Scott stating he didn't have anything for the Council at this time.

Councilmember Cook then stated Mayor King suggested the committee call the Mayor or any Councilmember if they wanted to, adding there may be a problem with that suggestion due to open meeting laws, citing recent problems with the airport committee not even being able to go to breakfast without posting a quorum notice. Councilmember Cook then stated violating the open meeting laws is a concern with Mr. Cohen stating it was a concern of his also.

Mayor King asked if Mr. Cohen could explain the open meeting laws to the committee with Mr. Cohen stating he would go over the open meeting laws with the committee separately, adding he prefers not to give legal advice publicly. Mayor King then stated the committee needs to be careful contacting all the Councilmembers as it may violate the open meeting laws. Mr. Cohen then stated he would contact Mr. Berryhill and probably prepare a memorandum to distribute to committee members, adding he would be happy to attend a meeting or be available by phone.

Councilmember Cook then stated direction and guidance has been brought up earlier and asked Mr. Berryhill what he thought the Council wanted as far as economic development with Mr. Berryhill stating the committee is to research and advise on things that would benefit the City in bringing and retaining businesses and other things such as events or other things that would actually increase or improve the economic picture. Councilmember Cook then stated it was mentioned earlier that the prior economic development committee that was disbanded had a bad reputation; then stated that economic development committee had a good reputation with a lot of capable, experienced people who were skilled and trained, adding one member was the economic development planner for the County. Councilmember Cook then stated the current committee is the committee with the bad reputation.

No further discussion was had.

ADJOURNMENT:

Vice Mayor McGoffin moved to adjourn at 6:45 p.m. Seconded by Councilmember Konrad. Motion passed 7-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk