

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD JUNE 13, 2016 AT 7:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 7:04 p.m. stating after the Pledge of Allegiance he would like to ask those present to take a moment of silence for the recent mass shooting in Florida in which 49 people were killed. Mayor King then led those in attendance with the Pledge of Allegiance followed by a moment of silence being observed.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Lori McGoffin, Councilmembers Pat Boyle, Jeff Cook, Joe Konrad and David Lambert. Absent was: Councilmember Chris Moncada.

EMPLOYEE RECOGNITION:

Mayor King recognized Gilda Gomez for 15 years of service with the City. Mayor King then presented a plaque to Ms. Gomez.

Mayor King stated the invocation would now be held and introduced Vicar Sarah Isakson of St. Raphael in the Valley church. Vicar Isakson thanked Mayor King for the moment of silence and then offered the invocation.

PROCLAMATION:

Mayor King read a proclamation declaring the month of August, 2016 as “Drowning Impact Awareness Month.”

Mayor King then asked Commander Steve Chavas of the American Legion, Post 45 to come forward to accept a proclamation regarding Flag Day. Mayor King then read the proclamation declaring June 14, 2016 as “Flag Day” and presented it to Commander Chavas.

PUBLIC HEARING:

City Clerk Vicki Vivian stated information on the Home Rule Option (Alternative Expenditure Limitation) was available on the table in the Council chambers, adding the information explains what Home Rule is and why it’s presented to the voters every 4 years. Ms. Vivian stated anyone can call City Hall and have this information sent to them. Mayor King then opened the public hearing to receive comments and questions from the public regarding the Home Rule Option (Alternative Expenditure Limitation) at 7:11 p.m. stating no one had signed up to speak during the public hearing and asked if there were comments from any others present who wished to speak. After receiving no comments from the public or the Council, Mayor King closed the public hearing at 7:12 p.m.

CALL TO THE PUBLIC:

Don Buchanan, River Road, St. David spoke about being upset and criticizing former Recreation Coordinator Laura Parkin when the Council eliminated the official 4th of July committee. Mr. Buchanan then stated he was wrong and if Ms. Parkin were present, he would apologize to her because the recent 4th of July festivities were the best the City has hosted in the past 7 or 8 years. Mr. Buchanan then spoke about the loss of Ms. Parkin, noting while he didn’t necessarily get along with her, she was a good

employee and that he was surprised she was only paid \$2.50 an hour more than starting Costco floor sweepers. Mr. Buchanan said the Council needs to look at compensation and try to keep good people working at the City. Mr. Buchanan then spoke about El Dorado and that he wanted to remind the Council that they were here to make money; not to help Benson or do anything for the citizens and anyone at El Dorado who leads the Council to believe anything else is blowing smoke. Mr. Buchanan then spoke about the Council also eliminating the Economic Development Committee stating he was getting ready to rant about how Benson is sorely lacking in economic development and 78,000 people on the hill is not economic development, but he understood the committee wanted to go in a different direction and hopefully the committee would be more efficient. Mr. Buchanan then said there are probably fewer non-retail jobs in Benson today than there were in 1982, noting in 1983, Apache Powder shut down the powder line, laying off 65 people and that he doesn't think those jobs have ever been replaced. Mr. Buchanan then said even though the Economic Development Committee may no longer be an official City committee, he hopes the Council and City employees will do everything they can to encourage, with all their might, the work the committee does.

Paul Lotsof, a non-resident and owner of the CAVE FM radio station in Benson, said he was not a Benson resident, as the City Clerk loves to point out in the minutes. Mr. Lotsof then spoke about receiving mail at his residence in Tucson that appears to be official business from the City of Tucson and is on the City of Tucson's letterhead with their logo. Mr. Lotsof said when he reads the letter, he gets the distinct impression it comes from the City, but that it's actually a third party who gives utility customers a scare story about terrible expenses they might incur if their utility lines go bad and that the City of Tucson has arranged for utility customers to purchase an insurance policy that would pay all those expenses should anything go wrong with the customer's utility lines. Mr. Lotsof spoke about whether or not the Tucson City officials knew their City's name was being used or misused, but after seeing New Business Item #7, he knows the City is being paid for the use of its name. Mr. Lotsof then spoke about the third party company using deceptive and misleading advertising and gullible people being frightened into spending their money on what more than likely is a rip-off. Mr. Lotsof then stated the company selling the insurance policies don't need the City's permission and the only real issue is the use of the City's name and reputation to make it appear that the offer is coming from the City when in fact, it is not, adding the fact that other cities are foolish enough to participate in this kind of campaign is not justification for Benson to do it and asked the Council to not approve the agreement.

Kirk Sorenson, Pastor at First Assembly of God, Cactus Street, Benson, spoke about the upcoming 4th of July festivities, noting his church has been involved with the activities for 10 years, providing water slides, food booths and other children's activities, including 3 years of supervising the inflated obstacle course the City rents for the event. Pastor Sorenson then spoke about having a dunk tank from 10:00 a.m. to 6:00 p.m. and that he wanted it to be community focused with the Mayor and Council and other church, school and community leaders volunteering to be dunked. Pastor Sorenson stated the profits from the dunk tank will be used for their outreach program which includes free events at the park with food and activities, their annual Harvest Fest, which is held on 5th Street and hosting breakfast for the entire school district staff this fall. Pastor Sorenson then challenged the Council to participate in the dunk tank. Vice Mayor McGoffin noted she would be out of town; Mayor King then stated he had already volunteered and challenged those present to come and dunk him. Pastor Sorenson then said those who wish to volunteer can contact him directly or could contact the City Clerk's office.

Vicki Vivian, Jennella Drive, Benson, stated the Council elected to have in the minutes, whether or not speakers at the Call to the Public are Benson residents. Ms. Vivian then spoke about the upcoming 2016 City Election giving the dates for the Primary and General elections and that the election will be held to elect the Mayor and 3 Councilmembers. Ms. Vivian stated there was currently 1 candidate for Mayor and 4 candidates for Council seats and noted the General election will be held to fill any Council positions that may not be seated at the Primary election, as well as addressing the Alternative Expenditure Limitation issue, also known as "Home Rule," which comes before the voters every 4 years. Ms. Vivian then gave the deadlines for voters to register for both the Primary and General elections.

CITY MANAGER REPORT:

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

- Tuesday, June 14, 2016 – Library Advisory Board, 4:00 p.m., City Library
- Wednesday, June 15, 2016 – Community Watershed Alliance, 6:00 p.m., City Hall
- Saturday, June 18, 2016 – Planning & Zoning Commission Worksession, 9:00 a.m., Cochise College
- Thursday, June 23, 2016 – City Council Public Hearing – Budget 7:00 p.m., City Hall
- Monday, June 27, 2016 – City Council Public Hearing – Home Rule, 7:00 p.m., City Hall
City Council Meeting, 7:00 p.m., City Hall

- June 17, 2016 – Movie in the Park, “Open Season, Scared Silly” (rated PG), Lions Park @ dusk. ****Free admission****
Sponsored by: City of Benson, Cox Communications, Cerendipitees and Wal-Mart

- June/July – City Pool – The pool is open Monday thru Saturday from 11:00 a.m.-5:00 p.m., Sunday from 1:00 p.m.-5:00 p.m.

Game Night – June 24, 6:00-9:00 p.m., raffles & music, hosted by the National Junior Honors Society and the City of Benson

Dive in Movie (Norm of the North – rated PG) – June 25

Information on these events, swim lessons, active adult swim hours and the pool activity schedule is available at www.cityofbenson.com

- June/July – Summer Recreation Programs – The Recreation Department offers many activities such as:
 - Cooking Camp
 - Movies at the Community Center
 - Baseball Camp
 - Basketball Camp
 - Junior Golf
 - Dance Camp
 - Cheer Camp
 - Wrestling Camp
 - Gymnastics Camp
 - Arts & Crafts

More activities and programs are in place. Information on activities and camps are available at www.cityofbenson.com under “Summer Programs”

- Monday, July 4, 2016 – Benson’s annual 4th of July celebration. Festivities begin at 9:00 a.m. with the parade and will run all day long at Lions Park. The City’s fireworks show will begin at 8:30 p.m. followed by a dance until 10:00 p.m. concluding the celebration. For a full schedule of the event and other events happening in Benson, go to www.cityofbenson.com under “What to do Today”

NEW BUSINESS:

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

- 1a. Minutes of the April 11, 2016 Regular Council Meeting
- 1b. Resignation of Mindi Flores from the Benson Economic Development Committee
- 1c. Purchase of a 2016 Chevrolet 3500 Chassis Cab for the Public Works On-Call truck in the amount of \$30,704.60 for approved budget CIP project GS 07-5 / WA 07-9 / WW 07-4
- 1d. Invoices processed for the period from May 1, 2016 through May 15, 2016
- 1e. Invoices processed for the period from May 16, 2016 through May 31, 2016

Vice Mayor McGoffin moved to approve the Consent Agenda. Seconded by Councilmember Lambert. Motion passed 6-0.

2. **Discussion and possible action regarding an Employee Benefit Advocate Service Application and Agreement with ESG (Employee Solutions Group) Corporation for insurance brokerage and administration of employee insurance related benefits**

City Manager Bill Stephens stated this item is an opportunity to renew the contract with ESG to continue their services, adding Al Thunberg from ESG was present to address the Council. Mr. Thunberg stated he was here to bring the Council up-to-date regarding the benefits offered to employees. City Clerk Vicki Vivian interjected, stating employee benefits is the next agenda item, noting this item is regarding the contract to administer the employee benefits. Mr. Thunberg then stated the advocate agreement allows ESG to provide advice and counsel to employees as they select their insurance and other benefits, as well as assisting employees in administering their tax-advantage benefit programs, such as the Flexible Spending Account and the Health Reimbursement Account. Mr. Thunberg then noted the agreement contains no changes and no cost increase to the City. Mr. Stephens stated he would like to note this is the third year, if not longer, ESG has given the City a rate pass and thanked Mr. Thunberg and his associate Jon Stewart, adding they work hard to help the City with this process.

Councilmember Boyle asked how ESG could continue the contract with no rate increase with Mr. Thunberg stating over the years, ESG has been able to find ways to become a little more efficient in the administration of the programs through new technology and software solutions, noting this reduces paperwork and has enabled them to offer rate passes to many customers.

Vice Mayor McGoffin moved to approve the Employee Benefit Advocate Service Application and Agreement with ESG (Employee Solutions Group) Corporation for insurance brokerage and administration of employee insurance related benefits. Seconded by Councilmember Lambert. Motion passed 6-0.

3. **Discussion and possible action regarding a Health Insurance contract with Blue Cross Blue Shield for the Employee Benefits for Fiscal Year 2016-2017, and authorization for the City Manager to sign the health insurance contract**

City Manager Bill Stephens stated each year, ESG representatives Al Thunberg and Jon Stewart work with Staff regarding benefits and work hard to negotiate on the City's behalf to get the best insurance rates. Mr. Stephens stated last year, the City switched to Blue Cross Blue Shield for health insurance which worked very well. Mr. Stephens then stated the first renewal estimate was tough, but through negotiations, the renewal is reasonable and Staff is recommending approval of the health insurance contract.

Mr. Thunberg then addressed the Council regarding the employee benefits process that includes talking to at least 6 different health insurance carriers to make sure the City gets the best offering. Mr. Thunberg

then spoke about sitting with employees each year to get feedback about the benefits programs and noted Blue Cross of Arizona is a great carrier and he would endorse them in every way the health care model allows. Mr. Thunberg then spoke about the Health Reimbursement Account (HRA), where the City reimburses part of the deductible expenses employees incur, if and when they are incurred. Mr. Thunberg stated the plan has worked fabulously, adding over the past 5 years, it has saved the City about \$200,000 per year, noting in 2009-2010, health insurance costs were about \$756,000 and are currently down to about \$525,000. Mr. Thunberg then stated the Council offering an HRA was a strategic move they made and he praised the Council for having to think through a difficult concept, noting HRAs were not an automatic thing back in the day. Mr. Thunberg then stated the City's historical trend has been terrific and is running about 50% better this year than was expected, adding that rewards the City in the overall costs and helps with negotiating renewals. Mr. Thunberg then stated he believes the City's renewal rate will probably incur a 5 or 6% increase year over year and may even be better next year if the claims stay low, noting a low increase is never a guarantee, but the City's trend has been favorable. Mr. Thunberg then stated Blue Cross is well-accepted by employees, with good products and a good network in addition to providing the financial advantages the City wants. Mr. Thunberg then noted there were no changes in benefits and no changes to employee costs as well, noting the City was able to keep the employees' costs level which is a big win for employees. (The Council handout Mr. Thunberg provided will be retained with the Council packet.)

Vice Mayor McGoffin asked if the employee costs noted in the handout was monthly with Mr. Thunberg confirming the cost was monthly; divided into 24 pay periods. Mayor King stated it was nice not to have to increase employees' costs and thanked Mr. Thunberg, ESG and their staff for their work and services.

Councilmember Lambert moved to approve the Health Insurance contract with Blue Cross Blue Shield for the Employee Benefits for Fiscal Year 2016-2017 and authorize the City Manager to sign the health insurance contract. Seconded by Councilmember Konrad. Motion passed 6-0.

4. **Discussion and possible action on Ordinance 580 of the Mayor and Council of the City of Benson, Arizona, amending and deleting Article 18-6, "Benson Economic Development Committee" from the Benson City Code, Chapter 18 "Boards, Commissions and Committees," disbanding that committee, and deleting any reference to it in the Benson City Code**

City Clerk Vicki Vivian stated the Benson Economic Development Committee (BEDC) was created in 2014, with the required membership consisting of an odd number ranging from 5 to 9 members, but typically has consisted of 7 members. Ms. Vivian then stated at the Council meeting held on April 25, the Consent Agenda contained 6 resignations from members of the committee, adding during the discussion, she informed the Council that the remaining member of the committee had since submitted her resignation and that one application for membership had been received in the Clerk's office and that she would be placing the resignation and application on the upcoming Council agenda to seek direction from Council regarding the committee. Ms. Vivian then stated at the May 9 Council meeting, Council directed Staff to prepare the necessary documentation to disband the BEDC, which is accomplished with the proposed ordinance. Mayor King stated he had spoken to Economic Development Committee Chairman Mike Berryhill, who told him the committee wanted to be eliminated, and that they wanted to continue, but be on their own with no restrictions such as the Open Meeting Law. Councilmember Boyle, also a BEDC member, then spoke stating there were a lot of times the BEDC would have an opportunity to meet, but couldn't because they didn't have an agenda planned out in advance. Councilmember Boyle then stated they also had opportunities to do fundraising, but they didn't have a mechanism to collect money, so they decided to go ahead and disband, adding they are planning on setting up 501c3 so they can collect and distribute money and meet whenever they want or need to, noting an agenda or a quorum will not be required, which were both an encumbrance to the committee's efficiency and ability to do business.

Councilmember Boyle moved to approve disbanding the committee and have it deleted from the City ordinances. Councilmember Lambert asked if he would like to amend his motion to approve Ordinance 580. Councilmember Boyle then amended his motion to approve Ordinance 580. Amended motion was seconded by Councilmember Lambert. Motion passed 6-0.

5. **Discussion and possible action regarding Resolution 18-2016 of the Mayor and Council of the City of Benson, Arizona, approving an Arizona State Forestry Division Cooperative Intergovernmental Agreement, for the protection of its Forests and Wildlands**

Fire Chief Keith Spangler stated the City has this agreement in place, but the State Forestry Division reviewed and updated the agreement after the Yarnell fire. Chief Spangler stated the agreement allows the Fire Department or the City to call the State Forestry Division for assistance, noting this was done with the fire that occurred by the river when the State brought in crews and took over and managed the fire until the Fire Department could manage it alone. Chief Spangler stated with the agreement, the City didn't have to pay for any crews that came in or any aircraft to fight the fire, which helps the City a lot, adding the agreement also allows the State to come in and utilize City resources, such as water.

Councilmember Konrad asked if the agreement also enables the Fire Department to obtain equipment through the State Forestry contract with Chief Spangler verifying that the agreement enables the Fire Department to use the State Forestry Department to buy equipment through the federal government instead of going out to vendors and noted going through the federal government greatly reduces the price.

Vice Mayor McGoffin moved to approve Resolution 18-2016. Seconded by Councilmember Boyle. Motion passed 6-0.

6. **Discussion and possible action regarding Resolution 19-2016 of the Mayor and Council of the City of Benson, Arizona, authorizing the Fire Chief to execute a Cooperative Fire Rate Agreement with the Arizona State Forester**

Fire Chief Keith Spangler stated this agreement allows the City Fire Department to bill the State Forestry Division for trucks and personnel when the Fire Department goes out and fights wildland fires, roadside fires on the Interstate or when the State calls on the Fire Department to provide aid to other departments, such as Sonoita, adding Sonoita would call the State for assistance and the State would then call the Fire Department and the Fire Department would get paid by the State rather than billing Sonoita. Chief Spangler stated this also applies to the Mescal and St. David areas, adding if the State takes over the fire and then calls the Fire Department for assistance, the Fire Department would be paid by the State. Mayor King noted the Fire Department would not only be paid for personnel, but for the apparatus the Fire Department supplies with Chief Spangler stating the Fire Department would have to supply personnel to operate the requested apparatus, but noted this gives the Fire Department the opportunity and the ability to send apparatus out for extended assignments if the Department has the personnel to send, adding the Department can make a considerable amount of money with apparatus going out.

Councilmember Boyle asked what the current arrangement was with Chief Spangler stating there is a current rate agreement in place, but every 2 years, the State likes to update the agreement, adding the review also allows the State to see what equipment the Fire Department has and to make sure all the smaller departments have the same Council or District Boards and Fire Chiefs from those Boards and Cities. Councilmember Boyle then asked if the rates increased with Chief Spangler stating the rates reflect a small increase from the previous agreement. Councilmember Lambert moved to approve Resolution 19-2016. Seconded by Councilmember Konrad. Motion passed 6-0.

7. **Discussion and possible action regarding a 3-year Marketing License Agreement for Homeowner Private Line Insurance for Sewer, Water and Gas between the City of Benson and Utility Service Partners Private Label, Inc.**

Finance Director Dustin DeSpain stated this issue came up after the Council attended the previous annual League of Arizona Cities and Towns conference, adding the company that provides this service was at the conference and some Councilmembers asked him to research it. Mr. DeSpain then stated over past 6 months, he researched the issue and passed the proposed contract through the City Manager and City Attorney for review and the contract is now before Council for their consideration. Mr. DeSpain then spoke about the service Utility Service Partners Private Label, Inc. dba Service Line Warranties of America (SLWA) provides, noting SLWA does have the option to use the City logo and access a list of utility customers to send fliers out and offer insurance for the customer's utility line, which runs from the utility meter to their house. Mr. DeSpain stated the product is offered at a fairly reasonable price, adding most utility customers have older lines which are expensive to replace. Mr. DeSpain then stated utility customers don't have to buy the insurance plan, there is no cost to the City to enter into the agreement and the City receives a small payment for each policy that is sold.

City Attorney Gary Cohen then stated this program was specifically negotiated and approved by the National League of Cities and is recommended by the Arizona League of Cities and Towns; then stated any suggestion that this is an illegitimate operation is inaccurate, adding at least 150 cities have adopted the exact same program that is being presented to Council. Mr. Cohen then stated the idea of the program is that it's a win/win situation for everyone, adding it educates people who don't know what lines they are responsible for; it gives people the opportunity to purchase insurance, if they so choose and it gives the City an opportunity to have some increased revenue if the choice to purchase insurance is made by the customer.

Councilmember Boyle asked if there was a provision in the contract to ensure individuals are made aware that this is just an optional plan and they are not obligated to purchase it, adding if the information has the City's logo, he would like to make sure people know it's optional. Mr. DeSpain stated the contract doesn't contain a provision for that, but he knows there is a disclaimer that says the program is not mandated by the City. Mr. DeSpain stated he knew the Finance Office would receive some calls and Staff will inform customers that the program is offered by a third party and is an optional insurance policy, if they want to purchase it.

Councilmember Konrad then spoke about several sewer line failures in the City, and noted the cost of replacing the sewer lines from the house to the main in the street is astronomical at times. Councilmember Konrad then stated he wanted to get the point across that this is being offered by a third party and not the City, but he thinks this is a good benefit for the citizens, especially those on a fixed income, adding those customers seem to be the ones in the older homes that have these failing systems and it's a good idea to have something out there so people aren't draining their bank accounts to fix their failing systems. Mr. DeSpain then stated the policy is offered on 4 lines; gas, water, sewer and interior plumbing and noted the customer can cancel any policy at any time. Mr. DeSpain then stated the City Clerk just noted that the Finance Office can add a statement on all utility bills, informing customers that anything they would receive regarding this program is offered by a third party and is optional and then noted that it wouldn't cost anything to add that information to the billing statements.

Councilmember Boyle asked about the cost of the plans with Mr. DeSpain stating the prices are on the last page of the contract and are fairly reasonable, noting customers can pay monthly or annually and can cancel any policy they buy at any time. Mayor King stated as Councilmember Konrad mentioned, there have been some areas that residents have had utility line issues in, adding there is a lot of piping that is old and has cost up to \$10,000 to replace. Mayor King then stated he thinks this program would be beneficial and would like to have it offered, but he also wants customers to be informed that the program is not mandated by City.

Councilmember Lambert asked if the plan would cover the deteriorating orange pipe that was put in prior to 1978 with Mr. DeSpain stating the plans would cover full replacement on any lines that belong to the

customer. City Manager Bill Stephens stated the orangeberg pipe was invented just as the U.S. went into WW II and the use of iron and other metals was reserved for the war, and is a paper-type pipe covered with tar, adding this pipe was used until the mid-70s. Mr. Stephens stated many of the homes in Benson still have that pipe and depending on the moisture and soil, the 50-year lifespan can be longer or shorter, but it is definitely susceptible to being penetrated by roots and it eventually will deteriorate and collapse. Mr. Stephens then stated he knows families in the City who have dealt with these failing lines and it has cost them anywhere from \$6,000-\$12,000 to have the repair and replacement completed.

Councilmember Cook stated the gas line plan costs \$37 a year; then stated his neighbor's 75-80' gas line went out and the repair cost about \$1,000, noting over a 10-year period, the gas line insurance plan would have only cost \$370 and a customer would have to pay for almost 30 years before the premiums would equal the replacement cost of the gas line. Councilmember Cook then stated the insurance would be a benefit to the customer, but he is very reluctant to be in favor of a single supplier or provider and asked about insurance plans and rates from other providers. Mr. DeSpain stated he did seek out other providers, but all of them require the exclusive rights to market to the City's utility customers for a 3-year period, adding if the product weren't exclusive, the provider wouldn't have enough revenue to make repairs and survive as a business. Mr. DeSpain then stated he could bring other providers to Council, but they are more expensive and are not endorsed by the National League of Cities. Councilmember Konrad then noted this agreement still wouldn't stop a homeowner from going to a different provider, if they wanted to.

Mayor King then moved to approve the 3-year Marketing License Agreement for Homeowner Private Line Insurance for Sewer, Water and Gas between the City of Benson and Utility Service Partners Private Label, Inc. Seconded by Councilmember Boyle. Motion passed 6-0.

EXECUTIVE SESSION: As authorized by A.R.S. §38-431.03(A)(3) and (4), regarding issues with Andreas Mueller and/or ZBB Canine Team, LLC

Councilmember Konrad moved to enter into an executive session with the Council, the City Manager, the City Attorney and the City Clerk at 8:05 p.m. City Attorney Gary Cohen asked Council to please entertain an amendment to include the Chief of Police. Councilmember Konrad amended his motion to include Chief of Police Paul Moncada. Seconded by Vice Mayor McGoffin. Motion passed 6-0.

Council reconvened at 8:33 p.m.

DEPARTMENT REPORTS: No comments from Council.

ADJOURNMENT:

Vice Mayor McGoffin moved to adjourn the meeting at 8:33 p.m. Seconded by Councilmember Boyle. Motion passed 6-0.

ATTEST:

Toney D. King, Sr., Mayor

Vicki L. Vivian, CMC, City Clerk