

**THE REGULAR MEETING  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD JUNE 27, 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 7:01 p.m. with the Pledge of Allegiance. Mayor King then introduced Mike, a representative of the New Life Family Worship Center, who offered the invocation.

**ROLL CALL:**

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

**EMPLOYEE RECOGNITION:**

Mayor King recognized Rolando Carrillo for 20 years of service with the City and Al Carruthers for 20 years of service with the City. Mayor King stated the employees weren't present, but he appreciated their service to the City and the community.

**PROCLAMATION:** None

**PUBLIC HEARING:** The Mayor and Council will receive comments and questions from the public regarding the Home Rule Option (Alternative Expenditure Limitation).

Mayor King opened the public hearing at 7:05 p.m. and stated there was no one signed up to speak during the public hearing. Mayor King then asked if anyone present would like to speak. After receiving no responses, Mayor King closed the public hearing at 7:06 p.m.

**CALL TO THE PUBLIC:**

Paul Lotsof, a non-resident and owner of the CAVE FM radio station in Benson, spoke about the financial presentation on the agenda and asked about the large increase in May's collection and that he hoped someone would explain how the 1% sales tax increase could result in such a high increase compared to last year. Mr. Lotsof then stated he was requesting how much the City spent in Fiscal Year 2015-2016 on the preparation for the Villages of Vigneto, adding the figure should include the value of all staff time devoted to Vigneto, including the City Manager's time, any cash paid to outside contractors, and all money charged by Mesch, Clark & Rothschild to prepare any document related to Vigneto or to analyze their proposals, but the figure should exclude any cash outlay that has been reimbursed by El Dorado Holdings or El Dorado Benson. Mr. Lotsof stated the number didn't need to be accurate to the penny, adding he just wanted a ballpark figure that might be accurate plus or minus 20%. Mr. Lotsof stated he thought the Council should have this information and that the public would benefit from knowing what Vigneto has cost the taxpayers of Benson so far. Mr. Lotsof then stated this was a formal request for information.

Vicki Vivian, Jennella Drive, Benson, spoke about the upcoming 2016 City elections, giving the dates for the Primary and General elections. Ms. Vivian stated the elections will be held to elect the Mayor and 3 Councilmembers, noting there was currently 1 candidate running for Mayor and 4 candidates running for Council. Ms. Vivian then gave the voter registration deadlines for both the Primary and General elections, adding the General election will be held to fill any Council positions that may not be seated at the Primary election and will include the Alternative Expenditure Limitation issue, also known as Home Rule, which cities must address every 4 years.

City Attorney Gary Cohen then stated an oral request for documents is not a proper public records request and he wanted the public to be aware that any request made orally will not be responded to and will not be

treated as a proper public records request. Mr. Cohen then stated if there are any questions regarding the procedure for making a public records request, they can ask him or the City Clerk. Mr. Cohen then stated he wanted to make sure the record is very clear that the request made by Mr. Lotsof will not be considered an appropriate public records request, adding any records request done in an appropriate way will be responded to in accordance with the law.

### **CITY MANAGER REPORT:**

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

- |                          |  |
|--------------------------|--|
| Tuesday, July 5, 2016    | – Planning & Zoning Commission – Public Hearing – Community Master Plan (CMP), 7:00 p.m., City Hall  |
| Saturday, July 9, 2016   | – City Council Worksession – CMP, 9:00 a.m., Cochise College   |
| Monday, July 11, 2016    | – City Council Meeting, 7:00 p.m., City Hall   |
| Tuesday, July 12, 2016   | – Library Advisory Board, 4:00 p.m., City Library  |
| Saturday, July 16, 2016  | – Historic Preservation Commission, 9:00 a.m., City Hall   |
| Monday, July 18, 2016    | – City Council Public Hearing – CMP, 7:00 p.m., City Hall<br>City Council Special Meeting – Action on CMP, 7:00 p.m., City Hall  |
| Wednesday, July 20, 2016 | – Community Watershed Alliance, 6:00 p.m., City Hall   |
| Monday, July 25, 2016    | – City Council Meeting, 7:00 p.m., City Hall   |
| June/July                | – Summer Recreation Programs – There are a number of camps. Information on activities and camps is available at the City’s website, <a href="http://www.cityofbenison.com">www.cityofbenison.com</a> under “Summer Programs”   |
| Monday, July 4, 2016     | – 4th of July – City Offices Closed  |
| Monday, July 4, 2016     | – Benson’s annual 4th of July celebration. Festivities will begin with the parade at 9:00 a.m. and 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 go to <a href="http://www.cityofbenison.com">www.cityofbenison.com</a> under “What to do Today” |

Mayor King invited everyone to enjoy the 4th of July and asked everyone to be safe and invite their family and friends to the event, adding Benson has the best 4th of July celebration in Cochise County or Pima County.

### **NEW BUSINESS:**

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

- 1a. Minutes of the April 25, 2016 Regular Council Meeting
- 1b. License Agreement between the Friends of the Benson Library and the City of Benson, Arizona, for the use of Property located at 197 E. 7th Street, Benson, Arizona
- 1c. Resolution 20-2016 of the Mayor and Council of the City of Benson, Arizona, approving and authorizing the execution of an Intergovernmental Agreement between the City of Benson and the Benson Unified School District #9 (The “District”) to permit reciprocal use of the buildings and grounds of the City of Benson and the District
- 1d. Resolution 21-2016 of the Mayor and Council of the City of Benson, Arizona, approving and authorizing the execution of an Intergovernmental Agreement between the City of Benson and the St. David Unified School District (the “District”) to permit reciprocal use of the buildings and grounds of the City of Benson and the District
- 1e. Invoices processed for the period from June 1, 2016 through June 17, 2016

Councilmember Konrad moved to approve the Consent Agenda. Seconded by Vice Mayor McGoffin. Motion passed 7-0.

2. **Discussion and possible action regarding Resolution 22-2016 of the Mayor and Council of the City of Benson, Arizona, proposing an extension of the Alternative Expenditure Limitation**

Finance Director Dustin DeSpain stated Staff is asking for a resolution to approve extending the Alternative Expenditure Limitation, also known as Home Rule, for another four years. Mr. DeSpain then stated Home Rule provides cities the opportunity to manage and set their own budgets and expenditures instead of the State mandating the expenditure limit, adding the next resolution is also regarding Home Rule.

Councilmember Boyle asked about the difference in the expenditure limitations with Mr. DeSpain stating Home Rule is based on 1979-80 figures plus inflation and population changes, adding the City would be limited to spending about \$10 million. Mr. DeSpain then stated the City's expenses in utilities alone is about \$8 million, noting the City would be very limited in what could be done if the City was restricted to the State mandate. Vice Mayor McGoffin stated the City wouldn't be able to provide police or fire protection, parks and other things. Mayor King agreed, stating that is why this issue is important.

Councilmember Moncada moved to approve Resolution 22-2016. Seconded by Vice Mayor McGoffin. Motion passed 7-0.

3. **Discussion and possible action regarding Resolution 23-2016 of the Mayor and Council of the City of Benson, Arizona, seeking Voter approval to adopt a Local Alternative Expenditure Limitation (Home Rule Option) to apply to the City of Benson for the next four years**

Finance Director Dustin DeSpain stated this resolution will put the Alternative Expenditure Limitation issue on the voter ballot at the General election on November 8. Councilmember Moncada moved to approve Resolution 23-2016. Seconded by Councilmember Lambert. Motion passed 7-0.

4. **Discussion and possible action regarding Resolution 24-2016 of the Mayor and Council of the City of Benson, Arizona, approving a Final Budget for Fiscal Year 2016-2017**

Finance Director Dustin DeSpain stated this resolution adopts the Final budget which will begin on July 1, adding the Council held a public hearing on Thursday, June 23. Councilmember Lambert asked how many people came out to speak at the public hearing with Mr. DeSpain stating there were none.

Mayor King then moved to approve Resolution 24-2016. Seconded by Vice Mayor McGoffin. Motion passed 7-0.

5. **Review of City Finances for March, April and May, 2016 with emphasis on May financial results and the City's financial position as of May 31, 2016**

Finance Director Dustin DeSpain reviewed Citywide financial highlights focusing on May, stating the City's unrestricted cash has increased to \$2.4 million and the City has saved more than was projected. Mr. DeSpain stated the City will be spending about \$400,000 on the bond payment, but the unrestricted cash will still exceed projections. Mr. DeSpain then stated the bond proceeds remain at \$1.07 million. Mr. DeSpain stated the City's revenues exceeded expenditures by \$363,000 for the month of May and the City has collected \$1.1 million for the fiscal year. Mr. DeSpain then stated \$413,000 was the fund balance in 2015, but it is now \$2.4 million, which shows a huge turnaround in the budget. Mr. DeSpain then stated the reason May had such a large increase is that his office reconciled with the State of Arizona, and found the State was lax on distributing the revenue earned in the past few months, noting that revenue was distributed in May. Mr. DeSpain stated overall year-to-date, the City is actually on course for what was projected for the 1% tax increase. Mr. DeSpain then stated monthly revenues citywide were \$1 million for May and were \$10 million year-to-date, which is a \$1.7 million increase from May, 2015. Mr. DeSpain then stated citywide monthly personnel costs for May were \$364,000, which is pretty constant, and is a decrease of \$162,000 compared to May of last year, adding this consistent decrease has helped the City

saved money. Mr. DeSpain stated other citywide expenditures were \$237,000 for May which is a decrease of \$32,000 compared to last May.

Mr. DeSpain then reviewed the General Fund stating revenues for the month of May were \$699,000 and were \$5.3 million year-to-date which is an increase of \$1 million from last year. General Fund personnel costs for May were \$234,000, which has been consistent and is a decrease of \$120,000 from last May. Mr. DeSpain stated other General Fund expenses for the month of May were \$51,000 which is a decrease of \$40,000 from May of last year. Mr. DeSpain then stated General Fund revenues exceeded expenditures by \$414,000 for the month of May and the General Fund year-to-date fund balance was \$863,000, which was an increase of \$659,000 from last year at this time, noting the year-to-date fund balance last May was \$203,000.

Mr. DeSpain then reviewed Enterprise Funds stating the Gas Fund revenue for the month of May was \$39,000; the year-to-date revenue was \$728,000 and the fund balance was \$147,000, noting the City did purchase a new on-call truck and part of the cost will come out of the gas reserves. Mr. DeSpain then continued stating the Water Fund revenue for the month of May was \$58,000; the year-to-date revenue was \$624,000 and the fund balance was \$69,000, which has been a constant fund balance. Mr. DeSpain stated the Wastewater Fund revenue for the month of May was \$56,000; the year-to-date revenue was \$633,000 and the fund balance was \$80,000, adding that is a good thing because the City is having to do some significant updating of the wastewater plant that was postponed for several years, noting the fund balance will decrease over next few months. Mr. DeSpain then stated the Sanitation Fund revenue for the month of May was \$50,000; the year-to-date revenue was \$546,000 and the fund balance was \$52,000, then stated the County's tipping fees increased a few months ago and will be increasing again. Mayor King asked about the rate studies with Mr. DeSpain stating he has the rate studies almost completed, noting he has had Home Rule and other issues come up that he needed to address, but he hoped to bring the rate studies to Council in November. Mr. DeSpain then continued, stating the Golf Course Operations lost \$4,000 the month of May and was down \$136,000 year-to-date, compared to last May when the Golf Course operations lost \$19,000 and was at a year-to-date balance of -\$71,000; the Golf Course Food & Beverage made \$4,000 for the month of May, and because of that, the year-to-date balance was \$4,000, compared to last May when they lost \$7,000 and year-to-date last May was -\$33,000, adding the Food & Beverage side has done a good job of leaning out and making money. Mayor King noted events at the golf course have helped.

Mr. DeSpain then reviewed sales tax stating the chart shows a large spike in May, due to the reconciliation with the State, and noted the Council will see June come back to a normal level. Mayor King stated when the Council reviews this next May, they needed to remember why there was such a large increase in May with Mr. DeSpain stating he would remind the Council of the reconciliation.

Mr. DeSpain then continued his presentation stating Bed Tax is up from last year, with a little more revenue, and is holding pretty consistent with previous years. Construction Sales Tax was up in May, and is also pretty constant with a slight increase over last year. Mr. DeSpain then stated Total City Sales tax collection is high to due to the reconciliation with the State he spoke about earlier and the State retail tax shows a slight improvement over last year, which conveys a little statewide economic growth.

Mayor King thanked Mr. DeSpain and City Staff for their work.

**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

Mayor King moved to table the executive session. Seconded by Councilmember Moncada. Motion passed 7-0.

**DEPARTMENT REPORTS:** No comments from Council.

**ADJOURNMENT:**

Vice Mayor McGoffin moved to adjourn at 7:28 p.m. Seconded by Councilmember Moncada. Motion passed 7-0.

ATTEST:

\_\_\_\_\_  
Toney D. King, Sr., Mayor

\_\_\_\_\_  
Vicki L. Vivian, CMC, City Clerk