

**THE REGULAR MEETING  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD SEPTEMBER 10, 2012, AT 7:00 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Acting Mayor McGoffin called the meeting to order at 7:00 p.m. with the Pledge of Allegiance.

**ROLL CALL:**

Present were: Vice Mayor Lori McGoffin, Councilmembers Ron Brooks, David Lambert, Nick Maldonado, Chris Moncada and Al Sacco. Absent was: Mayor Toney D. King, Sr.

**EMPLOYEE RECOGNITION:** None.

**PROCLAMATION:** None.

**PUBLIC HEARING:** None.

**CALL TO THE PUBLIC:**

J.W. Hill addressed Council stating he feels no one in the City does their job. Mr. Hill then spoke of what he feels is the lack of enforcement in making people clean their yards to picking up animals that are not being taken care of. Mr. Hill then spoke of his dog that was killed by a neighbor's pit bull he has had nothing but trouble with. Mr. Hill stated 3 weeks ago, the Animal Control officer was called due to the dogs fighting and one dog was taken into custody voluntarily due to the owner not being able to afford treating the dog's injuries, adding at that time, the owner told the Animal Control officer she had not been able to feed the dogs for 3 days. Mr. Hill stated that was enough of a reason to take both dogs into custody. Mr. Hill then restated that no one in the City does their job.

Kathy Suagee addressed Council concerning the recent property purchase the City approved. Ms. Suagee wanted the record to reflect the Mark Battaglia and his partner as the owners of the property. Ms. Suagee's comments will be retained with the Council packet.

**CITY MANAGER REPORT:**

City Manager Glenn Nichols addressed Council, giving the dates of upcoming meetings and events.

September 11, 2012 – Library Advisory Board, 4:00 p.m., Library  
September 15, 2012 – Historic Preservation Commission, 9:00 a.m., City Hall  
September 24, 2012 – City Council Meeting, 7:00 p.m., City Hall  
September 25, 2012 – Community Watershed Alliance, 6:30 p.m., City Hall

September 15, 2012 – San Pedro Valley Community Fit Day, 8:00 a.m.-12:00 p.m. under the large ramada at Lions Park

Mr. Nichols reminded those present of the continuing work on the Interstate 10/State Route 90 Traffic Interchange project, adding up-to-date information can be found at [www.azdot.gov](http://www.azdot.gov). Mr. Nichols then stated flyers with information of the San Pedro Valley Community Fit Day were available for the public. Acting Mayor McGoffin added there would be motivational speakers and vendors, as well as a workout session. Councilmember Lambert then asked if the recent property purchases resulted in any checks being issued to Mark Battaglia with Mr. Nichols stating the check will be made payable to the corporation that

owns the property. Councilmember Lambert then stated since no checks are being written to Mr. Battaglia, his name has no bearing.

## **NEW BUSINESS:**

### **1. Consent Agenda**

- 1a. Minutes of the August 27, 2012 Regular Meeting
- 1b. Invoices processed for the period from August 15, 2012 through August 29, 2012

Councilmember Brooks stated he would like to remove item 1a. Councilmember Brooks then moved to approve the Consent Agenda without item 1a. Seconded by Councilmember Moncada. Motion passed 6-0.

### **Consent Agenda – Items Removed:**

- 1a. Minutes of the August 27, 2012 Regular Meeting

Councilmember Brooks stated he did recall Ms. Suagee's comments at the Call to the Public, making it clear that Mark Battaglia was the owner of the business listed on the 11-acre property purchase. City Clerk Vicki Vivian then addressed Council stating Ms. Suagee offered the information that Mark Battaglia was one of the owners, but only had the first name of the other owner. Ms. Vivian then stated she could obtain the second owner's name, amend the minutes and present them to Council at the next meeting if they would like. Councilmember Brooks then moved to table Item 1a. Motion failed with Councilmembers Lambert, Maldonado and Acting Mayor McGoffin voting nay. Councilmember Lambert then moved to approve Item 1a with the amendment to change the word "grandstand" to "bandstand" on page 6. Seconded by Councilmember Maldonado. Motion passed 5-1 with Councilmember Brooks voting nay.

### **2. Resolution 48-2012 of the Mayor and Council of the City of Benson, Arizona, authorizing the City Engineer to accept and execute the United States of America Federal Aviation Administration Grant for improvements at the Benson Municipal Airport (AIP-3-04-0077-016-2012)**

Public Works Director Brad Hamilton addressed Council stating the next project at the airport is the backup generator in the FAA CIP program, adding if the grant is approved and executed, the funding would then be encumbered and couldn't be taken away. Mr. Hamilton then stated the project was out to bid and the contracts for construction and construction administration will be brought back to Council along with the ADOT contract, matching the City's contribution. Councilmember Moncada then stated the City's portion could be up to \$16,000, but in all likelihood would be half that amount since ADOT usually contributes 2.5% of the 5% not paid for by the FAA. Mr. Hamilton confirmed this, stating it would depend on the bids, but the FAA would be paying approximately \$300,000 for the project which includes lighting for the field, AWOS, the beacon, fire pumps and 1 well in case there was a fire during an outage. Councilmember Moncada then moved to approve Resolution 48-2012. Seconded by Councilmember Lambert. Motion passed 6-0.

### **3. Discussion and possible action regarding the 2013 Annual Benson Bluegrass Festival budget**

City Manager Glenn Nichols stated the Bluegrass Festival was included in the current budget and then introduced Recreation Coordinator Laura Parkin to address any questions Council may have. Councilmember Moncada stated he felt Staff did an excellent job with the Bluegrass Festival this year and he likes the plan for next year. Councilmember Brooks stated he feels we need these kinds of events, adding they are important for the City for revenue purposes and to have something for the people to do. Councilmember Brooks then asked about the proposed budget increase of \$3,000, with Ms. Parkin stating since we are so far out from the event, she added 20% to most items with the exception of the entertainment and lodging, adding she hopes to get another hotel to sponsor a lot of the rooms as Days Inn did for us this

year, which saved the City that expense. Councilmember Brooks then stated he would really like to see some other organization run the festival for us, but in the event there isn't one, he thinks the City needs to do it. Councilmember Moncada moved to approve the budget for the 2013 Annual Bluegrass Festival. Seconded by Councilmember Brooks. Motion passed 6-0.

4. **Review of City Finances with emphasis on July, 2012, financial results, the City's financial position at July 31, 2012, and discussion of expected future net revenue streams**

Finance Director Jim Cox gave a brief overview of the City finances for the month of July, beginning with citywide financial highlights, stating the City's cash position is stable at \$2.1 million, and we can expect to see it decrease by \$300,000 to \$400,000 before our high revenue months start toward the end of the year. Mr. Cox then stated remaining bond proceeds that have not been allocated for capital projects total \$1.6 million and fund balances citywide for the month of July were up \$66,000, adding the City's overall performance is slightly below where it was last year. Mr. Cox then continued with citywide financial results, stating July revenues were \$750,000, down \$177,000 compared to Fiscal Year 2011, due to a little less in grant reimbursements, adding the disturbing thing is the City is down \$24,000 on our local City sales tax compared to last year. Mr. Cox then addressed personnel stating costs for July were \$386,000 which is down \$213,000 compared to Fiscal Year 2011, but was strictly due to timing, adding there were 3 payrolls in July, 2011 and only 2 payrolls in July, 2012. Mr. Cox then stated other costs were \$225,000 for July, which is up \$72,000 compared to last year, but noted it is strictly timing differences also.

Mr. Cox then moved to the General Fund, stating revenues for July were \$402,000, which is down \$30,000 compared to 2011 and included in that total was our decrease in City sales tax collections of \$24,000. Mr. Cox then stated expenditures in personnel were \$246,000 less than 2011 due to having 3 payrolls in July, 2012. Mr. Cox then stated the fund balance for the month of July in the General Fund increased \$89,000, which is encouraging.

Mr. Cox then addressed the Enterprise Funds stating the Gas Fund was down \$10,000 for the month of July, noting the presentation in the Council packet was incorrect and adding we don't sell much gas in the summer. Mr. Cox then stated the Water Fund was up \$35,000 for the month of July, which is comparable to July, 2011. Mr. Cox then stated the Wastewater Fund was up \$11,000 for the month of July, down slightly when compared to last year, but was due to capital expenditures in July, 2012.

Mr. Cox then stated the Golf course was actually up \$5,000 for the month of July, after consideration of the \$25,000 the City received from Arizona Golf Systems and was up \$14,000 compared to July, 2011. Mr. Cox then stated the golf course revenues are trending up and the cost controls that have been instituted over the past several months are taking effect now, adding the restaurant operations are improving noticeably, the golf course operations are running very smooth and there have been minimal disease problems compared to last year, so it's trending in the right direction. Mr. Cox then stated the challenges remain of attracting play from the Tucson area and continued development of customer loyalty, adding the golf course sees more and more of the same faces every month. Mr. Cox then stated overall, the golf course has more revenues and things are moving in the right direction, adding it's very encouraging considering these are results for the month of July. Mr. Cox then stated we should see a nice reversal in the year-to-year comparison. Councilmember Brooks asked if the increased revenues were a result of more business from the Turquoise Hills golf course closing with Mr. Cox stating it started in July, but the golf course should see more of that in August and September, adding we hate to lose any business in the City, but the positive aspect is that what was spent at Turquoise Hills is still being spent in the City. Mr. Cox then stated an executive course was put into the golf course as soon as Turquoise Hills closed to give people a similar golf experience to what they had at Turquoise Hills, adding the course has gotten good reviews.

Mr. Cox then addressed taxes saying the State year-to-date tax collections are steady, but City tax collections are down 8%, adding this is a decreasing trend that we're watching very carefully. Mr. Cox then stated overall the City's financial performance is slightly behind the past 2 years which means in all

likelihood, we are going to have some cash flow challenges as we head toward the end of the current fiscal year, however the City does remain financially sound. Councilmember Sacco asked why the City is seeing lower tax collections with Mr. Cox stating if the decrease in collections continues, it would indicate that retail sales in the City are decreasing, adding at this point, he can't say that since it may be a timing difference in reporting between July of this year versus July of last year.

Mr. Cox then stated bed tax collections continue to be horrible, adding they are way down from last year, which were way down from the year before. Mr. Cox then stated construction sales taxes are right on with what we had last year; however, he thinks they will be decreasing unless some new construction happens.

Mr. Cox then stated the total City sales tax collections are below last year, but above where we were in FY 2010-2011. Mr. Cox then reviewed sales tax collections, showing the State sales tax collections are dead on what they were a year ago. Councilmember Brooks asked Mr. Cox if he had any suggestions on what the City should be doing to increase revenues with Mr. Cox stating compliance efforts would help and would be the most immediate thing the City could do, adding over the long haul, things that attract people to the City and things that get people out and spending money in the City, as well as working on economic development would help increase revenues.

5. **Discussion and possible action regarding possible City membership in the Southeast Arizona Economic Development Group (SAEDG)**

Acting Mayor McGoffin stated this item had been scheduled for discussion at the EDSC meeting, but due to a lack of a quorum, the meeting was not held, adding she felt it was an issue that should be addressed and requested it to be placed on the Council agenda. SAEDG Director George Scott then addressed Council stating on August 29, he wrote a letter to Council asking for support, adding SAEDG is the only economic development group around that is actually out trying to recruit businesses to come to Benson. Mr. Scott then stated SAEDG helps existing businesses in locating financing and with other assistance they may need. Mr. Scott then stated SAEDG would like to have the City as a member and asked that Council consider a platinum membership, adding he would be happy to answer any questions Council may have. Councilmember Maldonado asked what SAEDG has accomplished with Mr. Scott stating SAEDG is currently working with Rosemont Copper and Excelsior Mining group, adding these are copper mines and he does expect to get business from Rosemont Copper when they get their final permits in December, which could be very significant to the City of Benson. Mr. Scott then stated the Excelsior Mining group is another copper mining company that has a big deposit out by Dragoon, adding the project is about 2 years away and will employ about 240 employees when it is up and running. Mr. Scott then stated SAEDG has also, been working with the SunZia project, which is the transmission line out of New Mexico that runs across Cochise County, adding the line will be built especially for renewable energy projects. Mr. Scott then stated last week on SAEDG's facebook page, they posted some job openings with a local trucking company that is looking for drivers, adding they have immediate openings in the Benson area that pay \$40,000 to \$50,000 per year and they are working with them to help them find some qualified people in the Benson area for these jobs. Councilmember Maldonado then asked how many members SAEDG had and how much they collected from these memberships with Mr. Scott stating there are 20-25 members. Mr. Scott then stated SAEDG's budget is approximately \$36,000 per year, adding most of that funding comes from donations from people, developers and local businesses. Mr. Scott then stated SAEDG could do a lot more if they had more money to work with. Mr. Scott then stated SAEDG is also working with the City Manager and Staff to get some business at the Benson Airport with SAEDG helping facilitate the meetings that took place for the RFI that was given back to the ACA, adding SAEDG let them use our facility to have those meetings. Mr. Scott then stated they also brought letters from developers who would like to build hangars at the Benson airport, adding they went out and got commitments a few months ago and once the RFP is out, they will go back to those developers and get them to come back and put bids in. Mr. Scott then stated they really believe that the Benson airport has a great potential and that it just needs a good marketing plan so that he and others can go out and promote it, which can help bring businesses to Benson. Councilmember Maldonado then asked about SAEDG's expenditures and how much the City donated in

the previous year with Mr. Scott stating funding goes to pay expenses, such as the phone bill and utilities, adding last year the City donated approximately \$1,500 to help get SAEDG's new website set up. Mr. Scott then stated they have a nice website and list the City as a partner, even though there is no commitment from the City to be a member. Councilmember Moncada stated he thinks the City should join SAEDG and thought the next item should be part of this discussion, adding he knows Mr. Scott wants to go to the Governor's conference on economic development. Councilmember Moncada then stated if the City paid for a membership, Mr. Scott could use part of the membership fee to go to the conference. Acting Mayor McGoffin asked Mr. Scott about possible future requests for funding should the City choose to become a platinum member with Mr. Scott stating a platinum membership includes invitations to 2 luncheons for updates during the year, a monthly update via email and a spot on their website with the City logo. Mr. Scott then stated the main thing the Board of Directors and members want to know is if the City is committed to bringing businesses in, adding he knows the City is, but there isn't anyone working on it except for SAEDG, adding their goal is to bring more businesses into the community. Mr. Scott then stated SAEDG has been working on this goal for 5 years and is now getting to the point where they can really move forward but they need some financial assistance to do so. Councilmember Sacco asked if the membership benefits varied by membership level with Mr. Scott stating they try to have lower levels for smaller businesses or those who can't afford a higher level membership. Mr. Scott then stated SAEDG tries to help businesses get established by helping them find financing or a facility and things like that, adding SAEDG helps any business who needs it regardless of their level of membership. Mr. Scott then stated the City used to have an Economic Development Director on Staff who was paid to do the same thing SAEDG is doing, adding the City can continue to save that money by investing in SAEDG. Councilmember Lambert stated funding was available in the budget, but Council would have to decide on a membership level. Councilmember Brooks then stated he has known Mr. Scott for 10 years and has seen him work very hard in the last 2 years to try and bring business to Benson, adding the City doesn't have anyone else working on that and he feels \$2,000 for a platinum membership is very inexpensive to get the service Mr. Scott is giving to the City. Councilmember Brooks then stated the Chamber of Commerce was supposed to be doing this, but was in the process of reorganizing right now, adding he believes Mr. Scott is a good candidate for this and he would support a platinum membership. Councilmember Brooks then moved for the City to become a platinum member of the Southeast Arizona Economic Development Group (SAEDG) with the corresponding expenditure of \$2,000. Seconded by Councilmember Sacco. Councilmember Lambert suggested adding where the funding would be taken from with Councilmember Brooks then amending his motion to take the funding from the Economic Development line item in the Community Enrichment budget. Amended motion seconded by Councilmember Sacco. Motion passed 6-0.

**6. Discussion and possible action regarding Benson representation at the 2012 Governor's Economic Development Conference held September 12-14, 2012 in Litchfield Park, Arizona**

Acting Mayor McGoffin stated this item was also scheduled for discussion at the EDSC meeting, adding Mr. Scott of the Southeast Arizona Economic Development Group felt someone should attend representing Benson. Acting Mayor McGoffin then stated she felt part of the City's platinum membership fee should enable Mr. Scott to attend the conference. Councilmember Moncada agreed stating the Council discussed a lot of the subject matter at the recent League of Arizona Cities and Towns conference. Councilmember Brooks then stated he thought it was important Benson was represented at the conference, adding he and other Councilmembers don't have the time to go, but he felt it was important to have someone attend and make contacts which can be vital in getting work done. Councilmember Maldonado stated he felt if the Council was going to send someone, it should be an employee of the City. Acting Mayor McGoffin agreed stating if the City was going to pay for someone to attend the conference, it should be either an employee or an elected official. Councilmember Brooks then stated he felt the City didn't have to sponsor Mr. Scott, but could endorse him as a representative of the City with Acting Mayor McGoffin stating if the Council chose to send Mr. Scott as a representative, they should sponsor him instead of endorsing him. Councilmember Brooks then stated even if Mr. Scott didn't go as a representative of the City, he still felt it was important someone attend, adding the registration fee Mr. Scott is asking for doesn't cover the travel costs, lodging or food and Mr. Scott is willing to pay those costs. Councilmember Brooks then moved to

have Mr. Scott go to the conference, not as a representative of Benson, but as an attendee, and for the City to pay the conference fee, with funding to come from the Economic Development line item in the Community Enrichment budget. Mr. Nichols then stated the conference registration fee is \$315.00. Seconded by Councilmember Sacco. Motion failed with Councilmembers Maldonado, Moncada and Vice Mayor McGoffin voting nay.

**DEPARTMENT REPORTS:** None

**ADJOURNMENT:**

Councilmember Brooks moved to adjourn at 7:50 p.m. Seconded by Councilmember Lambert. Motion passed 6-0.

ATTEST:

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Toney D. King, Sr., Mayor

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Vicki L. Vivian, CMC, City Clerk