

**THE WORK SESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD APRIL 27, 2009 AT 6:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**MAYOR FENN
OPENED THE MEETING AT 6:03 P.M WITH
THE PLEDGE OF ALLEGIANCE.**

**PRESENT WERE: MAYOR FENN, VICE MAYOR KING (arriving at 6:20 p.m.)
COUNCILMEMBERS LAMBERT (arriving at 6:12 p.m.), LODZINSKI, McGOFFIN and SACCO
ABSENT WAS: COUNCILMEMBER BONCQUET**

NEW BUSINESS:

1. Budget Work Session for the City of Benson, Fiscal Year 2009-2010; all revenues and expenditures of the City may be discussed

Finance Director Jim Cox addressed Council starting with an introduction into the budgeting process. Mr. Cox stated the budget is a policy document that contains statements on handling contingencies, as well as being a communication document, an operations document and the City's financial document. Mr. Cox stated the budget is a roadmap to guide the City's spending and that approval of the budget does not grant authority to staff to expend funds, stating all expenditures are still subject to the proper approval process. Mr. Cox then stated the budget process begins in December with a first budget draft and moves forward with the finance office meeting with Department Heads in March. Mr. Cox stated the goal of these meetings is to produce a City Manager recommended budget. Mr. Cox then stated the budget moves through the Council approval process to incorporate their suggestions or directions in the budget before being finalized and adopted. Mr. Cox stated this process includes Council approval of a tentative budget which is scheduled for May 26, 2009, after which expenditures can be rearranged in the budget, but cannot be increased. Mr. Cox then stated the final budget is scheduled to be approved on June 22, 2009 after publishing the required notices and holding the appropriate hearings.

Mr. Cox then addressed City revenues, going over the sources of general fund revenues. Mr. Cox stated many of the general fund revenues were decreased in the budget projections, but given the economic uncertainties the City is dealing with today, it was the prudent thing to do. Mr. Cox then went over the projected revenues and stated he planned on a slight increase in property tax. Mr. Cox stated the increase will require publication and two public hearings. Mr. Cox then stated the budget forecasted a 17% decrease in revenues in the general fund, which was very conservative and he believed the City would exceed those revenues.

Mr. Cox then went over the enterprise funds stating each fund was balanced, but that the revenues and expenditures were equal, therefore if there were any significant capital expenditures that were required; money would need to come from the general fund to fund that expenditure.

Mr. Cox then stated the City was operating at a break even point, crediting each Department Head and the City Manager for managing direct costs. Mr. Cox then stated with decreasing revenues, it was difficult to address increasing expenditures. Mr. Cox then addressed the recommended personnel budget, stating the recommendations were no cost of living adjustment, no merit raises, no layoffs, no furloughs and a modified health insurance plan that has the goals of maintaining the current benefit structure for employees while limiting the cost increase to 5%. Mayor Fenn asked if the Magistrate costs were going to change with City Manager Nichols stating the County is trying to adjust Benson's cost and that he is contacting Mr. Mike Ortega to discuss the issue. Mayor Fenn then asked about a program the County instituted giving employees a monetary

award if they found a saving mechanism the City could utilize. Mr. Cox stated the City could find out more about it from the County.

Mr. Cox then stated Council could look at the Police Department budget if they would like to continue.

City Manger Glenn Nichols then addressed Council concerning the Police Department budget stating there are continued grant applications in the proposed budget for equipment and to assist with overtime personnel costs. Mr. Nichols then stated the department is down two officers but fully staffed in the communications and records divisions. Mr. Nichols indicated there were not many changes in the proposed budget, however, one major change was the possible new State lab costs, stating currently the law requires the State to provide those services to outlying communities that don't have a lab, but that may change and will be determined by the State legislature. Mr. Nichols stated the proposed budgeted expenditure cost estimate came from the State and was based on the amount the City spent last year for those lab costs. Mr. Nichols stated the State had submitted an invoice to the City for a portion of the lab fees incurred in the previous budget year. Mr. Nichols then stated the City as well as other entities not billed have not paid the invoice and that the League of Arizona Cities & Towns have been involved in discussing the those fees from last year to see if they can be eliminated. Mr. Nichols stated the proposed budget amount for the lab fees included the estimated cost as well as the invoiced amount, in case it is determined the City is required to pay it. Mr. Nichols stated the only other significant change is the increase in grant funding, in case the police department receives more grants. Councilmember Lambert asked about the proposed Animal Control Medical line item, with Mr. Nichols indicating that item was in the budget in case the San Pedro Valley Humane Society was not able to assist with some of the animal costs related to adoption. Mr. Nichols stated this item has also increased since the State's lab in Tucson was closed and the Animal Control division had to purchase additional packing material and take training that allows the Animal Control division to send items for rabies or additional testing.

Mayor Fenn then asked about the budget worksessions with Mr. Cox stating we were further along in the process and recommended the next worksession to be May 11, 2009. Council directed staff to set the next budget worksession for May 11, 2009 at 6:00 p.m.

ADJOURNMENT:

Councilmember McGoffin moved to adjourn at 6:50 p.m. Seconded by Councilmember Lodzinski. Motion passed 6-0.

Mark M. Fenn, Mayor

ATTEST:

Vicki L. Vivian, City Clerk