

**THE WORKSESSION  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD JUNE 7, 2010 AT 7:00 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Vice Mayor King called the meeting to order at 7:01 p.m. with the pledge of allegiance.

**ROLL CALL:**

Present were: Vice Mayor Toney King, Sr., Councilmembers John Lodzinski, Lori McGoffin, and Al Sacco. Excused were Mayor Mark M. Fenn and Councilmembers Jo Deen Boncquet and David Lambert.

**NEW BUSINESS:**

1. **Discussion and possible action in directing Staff to move forward with Emergency Procurement to Replace the Jennella Well Pump with a new 150 hp Pump**

Public Works Director Brad Hamilton addressed the Council stating that on May 23, 2010 the on call operator noticed the Jennella well pump making a lot more noise than it normally does. The pump was checked out and it has lost about 100 gallons per minute which is about ¼ of its current production capacity. Mr. Hamilton stated it is now making even more noise and it is a matter of time before the pump fails. Mr. Hamilton stated there is a need to move forward to replace it, adding currently there is a 100 hp pump that was installed in 1999 and that he would like to replace it with a 150 hp pump that would be identical to the Cochise College well pump, which would give more capacity and would be able to turn down on the vfd's, also like the Cochise College well. Vice Mayor King verified the approximate cost of \$60,000 with Mr. Hamilton confirming. Vice Mayor King then asked if there was money for this project with Finance Director Jim Cox stating the funding would come from the contingency line item of the general fund in which we have a balance of about \$110,000.

Councilmember McGoffin moved to direct staff to move forward with emergency procurement to replace the Jennella well pump with a new 150 hp pump. Seconded by Councilmember Sacco. Motion passed 4-0.

2. **Resolution 39-2010 of the Mayor and Council of the City of Benson, Arizona, approving an agreement with DeAnda Construction for the Benson Sidewalk Project as part of Phase III of CDBG Grant #112-09**

Public Works Director Brad Hamilton addressed Council stating this is to use the remaining funds in the CDBG contract #112-09, which is approximately \$70,000 and the City has until October of this year to use the money or lose it. Mr. Hamilton then stated the Sidewalk Project was put out to bid and came back at about \$29,000, which was lower than expected, so he will be coming back to Council with some change orders to try and use that money by the end of the grant year.

Councilmember Sacco moved to approve Resolution 39-2010. Seconded by Councilmember McGoffin. Motion passed 4-0.

3. **Resolution 40-2010 of the Mayor and Council of the City of Benson, Arizona, approving a Tentative Budget for Fiscal Year 2010-2011**

Finance Director Jim Cox addressed the Council stating this is the culmination of all the work that has been done in the worksessions held this year and that he would be happy to entertain any questions Council may have. Mr. Cox stated he has handed out a memo with a couple of last minute changes that have been made due to changing circumstances and one oversight. First of all in the General Fund revenues we have reduced property taxes budgeted by \$4,000 based on the new property tax mill levy which is actually a reduction from .4645% down to .4577%, noting those numbers were just recently generated. Mr. Cox

stated to keep General Fund balanced he increased the budget for bed tax by \$4,000, up to \$154,000, which is a very conservative number so he feels safe in doing that. Mr. Cox stated that the next change was to the Library Department, noting that in the current totals he failed to budget for a new computer which is desperately needed since there are about 25 computers at the Library and each year 3-4 computers are needed to be replaced. Mr. Cox stated there will be an increase in revenues in and expenditures in the Natural Gas fund and would be due to the recent developments in natural gas finances, citing that there is a concern of a heavy hurricane season which may interrupt production and may drive the price up. Mr. Cox stated that he has added \$90,000 to both revenue and expenditures in the Natural Gas fund, just in case of a rise. Mr. Cox then stated that a few other items to note were health insurance costs are in and we are actually looking at a 6% decrease due to some competitive bidding. Mr. Cox stated that the City had no large claims in 2009 so it caused some competition, which combined with maximizing the HRA and PPO deductibles, enabled lower projected health care costs this year with no decrease in benefits. Mr. Cox stated that the biggest change was the decrease in the emergency room co-pay from \$450 to \$250. Councilmember McGoffin asked if many people have used the HRA with Mr. Cox stating that to date \$12,100 has been paid compared to the projected amount of \$28,000. Councilmember McGoffin asked if employees have complained about the HRA with Mr. Cox explaining that there have been a few complaints that were resolved once the process was explained. Councilmember Lodzinski asked if the employees' insurance is paid by the City with Mr. Cox stating that the City pays for the employee and the employee pays 55% of their dependents' cost with the City covering the rest. Councilmember Lodzinski stated for clarification that, once the tentative budget is approved, the total budget amount is fixed and cannot be changed, however if the public has comments or concerns at the public hearing, changes can still be made, but the total budget amount cannot be changed. Mr. Cox then verified this and stated the total budget amount is \$22,700,000 and cannot be increased once the tentative budget is passed but that items can be rearranged or the budget can be reduced before the final budget is approved and added it is his opinion that there is adequate contingency in the budget. Mr. Cox then informed Council that the City's bond rating came back at an AA- rating, which means the interest rate will be the best it can be. Councilmember Lodzinski asked if that meant a lower payment or increased funding with Mr. Cox stating it would provide increased funding for the same debt obligation as discussed at previous Council meetings. Vice Mayor King offered his appreciation for all of the hard work staff has done.

Councilmember Lodzinski moved to approve Resolution 40-2010. Seconded by Councilmember Sacco. Motion passed 4-0.

**ADJOURNMENT:**

Councilmember McGoffin moved to adjourn at 7:16 p.m. Seconded by Councilmember Sacco. Motion passed 4-0.

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Mark M. Fenn, Mayor

ATTEST:

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Vicki L. Vivian, CMC, City Clerk