

**THE WORKSESSION  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD MAY 24, 2010 AT 6:00 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Vice Mayor King called the meeting to order at 6:01 p.m. with the pledge of allegiance.

**ROLL CALL:**

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

**NEW BUSINESS:**

**1. Budget Worksession for the City of Benson, Fiscal Year 2010-2011; all revenues and expenditures of the City may be discussed**

Finance Director Jim Cox addressed the Council with a memo outlining the changes Council made to the proposed budget.

Councilmember Sacco asked about the Meals on Wheels program with City Manager Glenn Nichols stating the utility bills for the building used by Catholic Community Service (CCS) for this program have increased to approximately \$14,000 a year with a good percentage of it being due to the refrigerators and freezers CCS has there. Mr. Nichols stated he is in discussions with CCS now and recommends the City continue paying the utility bills, but not subsidize the meals programs. Councilmember Sacco stated he heard other information regarding this program with Mr. Nichols stating he has been speaking with the administrators of the program and they have the correct information.

Mr. Cox then spoke to Council regarding the physicals for firefighters, stating they are a good insurance policy for the City. Mr. Cox then noted he had recently learned that if a firefighter has any incident of a heart attack within 4 days of a call, it becomes a worker's compensation claim. Mr. Nichols agreed that a yearly physical helps reduce the City's risk.

Mr. Cox then informed Council that in discussing the proposed bond issue, the City advisors feel very strongly that the City list all the projects we might expend the funds on. Mr. Cox stated some of those projects were not in the Capital Improvement Plan (CIP), so staff went back and added these items to the CIP for the following fiscal year. Mr. Cox stated these added projects are all in the proposed budget and the Project sheets will be added in the next disbursement. Mr. Cox then stated the projects are not really defined to the extent we want, but they needed to be in the CIP to be included as a potential use of the bond proceeds. Mr. Cox then stated there would be more discussion on these projects in the next budget process.

Public Works Director Brad Hamilton addressed Council concerning some of the new CIP projects stating there was an \$80,000 Wastewater Plant software upgrade which would cut down on electricity at the plant, adding the project will be more defined in the next budget cycle. Mr. Hamilton stated another project are the required street signs that need to be upgraded and more street paving will be included in the pavement management amount. Mr. Hamilton and Mr. Cox both agreed there are many streets that need attention and that \$400,000 wouldn't complete the repaving that needs to be done. Mr. Cox then stated to solve the street issues, he feels we would need a separate bond issue via property tax to bond for approximately \$5 million for the problems.

Mr. Hamilton then addressed Council regarding the enterprise funds, beginning with the Gas Fund. Mr. Hamilton stated the budget is not much different and noted there is still funding in the proposed budget for telemeters, adding that as long as the Gas Fund is doing alright, they will continue to work on replacing the meters with electronic meters.

Councilmember Lodzinski asked if the City had a gas model with Mr. Hamilton stating we did and the recommendations were to upgrade the Pomerene Road lines to a 4" line and to rebuild the Benson regulator station.

Mr. Hamilton then moved on to the Water Fund, stating not much had changed from the previous year and that the Capital Projects included upgrading lines, funding for telemeters, the ball park reuse project and \$75,000 for the Council approved sleeves under Interstate 10.

Mr. Hamilton then reviewed the Wastewater Fund stating it was much like the Water Fund and there were not many changes. Mr. Hamilton then stated the fees for Whetstone dumping are being charged to the developer and the proposed budget contains \$175,000 for Capital Projects.

Mr. Cox then added that each of the funds Mr. Hamilton just addressed has \$50,000 for contingencies.

Mr. Hamilton then addressed the Sanitation Fund stating it was the same as last year, except for a slight increase in tipping fees. Mr. Hamilton stated the City uses a third party for service and dumping. Mr. Cox then added the City will be close to breakeven, but will have to look at increasing fees in the following fiscal year. Vice Mayor King stated Tucson now offers a choice of small, medium and large cans asking if the City could look at that option, but Councilmember Bonquet stated Tucson offers recycling containers and by doing so, reduces the amount of trash a customer generates. Mr. Cox stated he intends to look into different options available to the City.

Mr. Hamilton then addressed the Streets Fund stating revenues are down, due to the State no longer giving out lottery revenue and the HURF funds decrease. Mr. Hamilton then stated the budget is larger due to the \$200,000 in bond proceeds for street maintenance. Vice Mayor King asked about the training allotment and if it was enough to cover any certifications that need to be achieved or maintained with Mr. Hamilton stating the public works departments had one employee become certified for herbicide and this year, the renewal would cost less than the certification and that they have been participating heavily in the LTAF program to get employee training for free or at a greatly discounted rate.

Mr. Hamilton then moved to the Airport Fund stating the General Fund contributions are to cover any grant matches that may be required, noting the expenditures were slightly reduced from last year's budget. Mr. Hamilton stated like the rest of the funds, the City is working to tighten all the budgets. Mr. Cox stated the airport business revenue is down, because traffic is down with Mr. Hamilton stating all airport communities are indicating flying and general aviation is down.

Mr. Cox then addressed the Impact Fee Fund stating there will be a carry forward balance of \$540,000, that he expects to earn \$120,000 and he is anticipating utilizing the impact fees for \$100,000 in water projects and \$60,000 in wastewater projects.

Mr. Cox then addressed Council regarding the Grant Fund stating specific funding is hard to allocate within the Fund since we don't know where grants will come from, so rather than try to guess and allocate funding to other department funds, the Grant Fund will contain one sum for all grants the City may receive and staff will come to Council for each specific grant approval and will then move the required funds to the proper department fund with revenues and expenditures.

Mr. Cox then addressed the Fire Pension Fund stating he proposed a contribution in the amount of \$19,900 to support the pension payments. There was no further discussion on this subject.

Mr. Cox then moved to the Transit Fund stating the revenues consist of FTA Rural Transit grants, a couple of State pass-through grants and a grant from SEAGO, and with services from the General Fund, the transit program is virtually completely funded by grants. Mr. Cox then stated the City has been able to move forward and will be expanding the service that was previously provided with no additional cost to the City.

Mr. Cox then reviewed the Debt Service Fund stating it will serve as a pass-through fund with revenues being anticipated bond proceeds and a transfer of payment from the General Fund. Mr. Cox then stated expenditures are for the payoff of the Wastewater Treatment Plant debt with USDA, the payoff of the Zions Bank loan and several capital projects, which were discussed in the CIP. Mr. Cox stated this fund will keep the bond proceeds and expenditures related to them segregated for easy monitoring and recordkeeping.

Mr. Cox then concluded the worksession stating he was very pleased with the budget this year, that there were a lot of new twists with the proposed bond proceeds, but he was happy to be able to move forward with Capital Projects, keeping employees' jobs with no anticipated layoffs or furloughs and if things stay as they are today, the City will have a nicely balanced budget as we have had in prior years.

Mr. Cox then stated he will prepare the Tentative budget, which will incorporate all the changes made as we've gone through the budget, for Council's approval at the Special Meeting that will be held on June 7, 2010. Mr. Cox then stated the budget process requires publication of the Tentative budget and public hearings that will be held prior to the adoption of the Final budget. Mr. Cox then stated Council action on the Final budget is scheduled for the Regular Council Meeting that will be held on June 28, 2010.

**ADJOURNMENT:**

Councilmember Lodzinski moved to adjourn at 6:41 p.m. Seconded by Councilmember Boncquet. Motion passed 5-0.

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Mark M. Fenn, Mayor

ATTEST:

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Vicki L. Vivian, CMC, City Clerk