

**THE REGULAR MEETING  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD DECEMBER 14, 2009 AT 7:00 P.M.  
AT CITY HALL, 120 W. 6<sup>TH</sup> STREET, BENSON, ARIZONA**

**MAYOR FENN  
OPENED THE MEETING AT 7:00 P.M. WITH  
THE PLEDGE OF ALLEGIANCE.**

**PRESENT WERE: MAYOR MARK M. FENN, VICE MAYOR TONEY KING, SR.  
COUNCILMEMBERS JO DEEN BONCQUET, DAVID LAMBERT,  
JOHN LODZINSKI, LORI McGOFFIN and AL SACCO**

**INVOCATION:**

Mayor Fenn introduced Councilmember David Lambert who offered the invocation.

**EMPLOYEE  
RECOGNITION:**

None.

**PROCLAMATION:**

Mayor Fenn read a proclamation recognizing the City of Benson's 85th anniversary of its incorporation.

**PUBLIC HEARING:**

Mayor Fenn opened the public hearing to receive comments and questions from the public regarding the use of approximately \$334,000 in Fiscal Year 2010 Federal Community Development Block Grant (CDBG) funds from the Arizona Department of Housing Regional Account (RA) at 7:03 p.m. Mayor Fenn then stated this was the second public hearing then read a statement informing the public about the CDBG funds and the criteria projects must meet to be eligible for the funding. Mayor Fenn then introduced Bonnie Williams of SouthEastern Arizona Governments Organization (SEAGO) to address the Council stating those who signed up to speak during the public hearing would follow Ms. Williams.

Bonnie Williams, SEAGO then addressed Council regarding the Program, the criteria projects must meet and gave examples of eligible projects. Ms. Williams stated that urgent need projects are very difficult, stating the City must be under consent orders from the Arizona Department of Environmental Quality (ADEQ) or the Environmental Protection Agency (EPA) or another agency with an emergency situation. Ms. Williams then stated by agreement with other entities in Cochise County, Benson gets funding from this program every other year. Ms. Williams then stated housing rehabilitation or emergency home repair is a possibility as well as public works type projects such as streets, sewers and parks and that facilities were another possibility such as the Senior Center in Benson. Ms. Williams stated the regional account applications are due at SEAGO by May 1 and that she would encourage Council to give staff direction and make a decision soon, stating she would also encourage Council not to divide project money up, stating it would be best to pick one or two projects, but that anymore than that, would diminish the impact on the projects and would require more money being spent on the administration of the projects. Ms. Williams then gave out a map showing the low to moderate income block group and stated we could do a project that would primarily benefit the people living in that area and that we needed to keep in mind the project needed to be residential in nature to benefit the residents, not the tourists or the commercial side. Ms. Williams stated she knew there was a need for a sewer line repair down Ocotillo Street but that research would have to be done to determine whether the primary benefit of the line was residential or commercial if we were to fix the line with CDBG funds. Ms. Williams then gave a handout regarding the housing repair program,

showing the income limits that homeowners would need to qualify for the funding stating Council could design the program the way they would like it to fit the needs they determined if they chose to go in that direction. Ms. Williams then stated the City could also do a special income survey if Council has another area of town in mind and think it may qualify as low to moderate income, but that the survey must get a 90% response rate. Ms. Williams then stated economic development is an area that has been largely unexplored in our region, but that it was difficult in that it takes a lot of preparation and tracking afterward, approximately 5 years, to track job retention. Ms. Williams then stated the main purpose for the public hearing is to gather project ideas from public and staff. Mayor Fenn then thanked Ms. Williams for the information and then invited comments from those who signed up for the public hearing.

Stephen Insalaco addressed Council stating with respect to the CDBG funds, he would like to draw attention to Aviation Drive that services the airport, the Aviation Drive is in a sad state of affairs and that he understands there is a lot of eligibility criteria that must be met and there is a lot of priorities that need to be established in the City. Mr. Insalaco stated he has great appreciation for those challenges, but would like Aviation Drive to at least be considered for these funds, stating the road services at least two residences, several businesses and a major municipal structure in the form of the airport and that it would help with the economic growth of the airport if the road was in better shape. Mr. Insalaco stated he was not suggesting the entire road should be repaved, but that he was thinking some of the funds could be used to patch the holes. Mr. Insalaco then stated in terms of blight and poverty, the road has deteriorated over the last few years, there has been an increase in the dumping of trash along the road and if the road was in better shape, maybe people wouldn't think that no one cares about this area. Mr. Insalaco then concluded stating he just wanted to be sure that Aviation Drive is at least on the radar for consideration, but that he understands there are a lot of challenges with priorities and the criteria, but if it were possible to direct any funds to this project, it would be greatly appreciated.

Mayor Fenn asked Ms. Williams about Mr. Insalaco's comments with Ms. Williams stating her first instinct is to say the project of Aviation Drive would probably not qualify, since although there are some residences, it is primarily commercial and that low to moderate income residents don't usually utilize the airport. Mayor Fenn asked about the economic development at the airport with Ms. Williams stating we would have to be creating and/or retaining jobs and it would require a lot to prove that to the State. Councilmember Lodzinski asked about the development of an airport industrial complex with Ms. Williams stating it would have to be completed within 2 years of receiving the funds, which can be a problem with long-range development projects. Ms. Williams stated it was something the City could look at, but that on the surface, it did not seem doable.

Vice Mayor King asked about Food Banks with Ms. Williams stating currently the thought is that people who would use a food bank are low to moderate income, and that Tombstone did build a food bank in association with the Tucson Community Food Bank, who oversees it and provides systems to check and make sure people don't go from one food bank to the next. Ms. Williams stated she could put the City in touch with someone to get more information, that the City would need to look at who would run it and who would keep it open, but that it would be an eligible project.

Mayor Fenn asked about City parks with Ms. Williams stating since the entire City utilizes the park, and the City as a whole is not at least 51% low to moderate income, no projects can be done there, also stating the City can't look at a pool, a youth center or a police station.

Council then asked Public Works Director Brad Hamilton about staff ideas or suggestions. Mr. Hamilton addressed Council stating one project they had talked about was the Ocotillo sewer and water line, but it would require more research to determine the primary users of the line; whether it was residential or commercial. Mr. Hamilton stated another project looked at a little, were streets on the South side of 4th Street. Mayor Fenn asked about the street in the area around the school with Ms. Williams indicating the City would have to do a special income survey and get a 90% response to determine if that area would qualify. Mayor Fenn stated many residents have contacted him and that he doesn't think it would be a

problem to get a 90% response to a special survey. Mr. Hamilton stated other possible projects included sidewalks and pedestrian facilities and that flood control would be another possibility.

Ms. Williams then stated she would recommend Council make a decision no later than February and that if a special income survey of a street needed to be done, it needed to be done right away, so Council would have that data to make an informed decision. Ms. Williams then stated if the City was going to do, as in the past, 3 or 4 streets in the area, a windshield survey needed to be done, which is to literally drive by and look at housing conditions, and that paperwork would have to be done. Ms. Williams then stated the application had to be written and that the project must be published and the Council must pass a resolution approving the project in April, again recommending Council to make a decision on a project no later than February.

Mayor Fenn then asked if there were comments from any others present who wished to speak on the potential use of the CDBG funds. After receiving no further comments from the public, Mayor Fenn closed the public hearing at 7:25 p.m.

### **CALL TO THE PUBLIC:**

Sylvia Burnside, San Pedro River Arts Council, addressed Council thanking them for the permanent hanging system installed in the Council chambers. Ms. Burnside stated there are currently 4 photographers on display and their next show in the Chambers will utilize the hanging system. Ms. Burnside stated in March they will be having a countywide teen competition with 70 pieces of art to hang and that in the future, they would like to have a different artist on display every month. Ms. Burnside stated she thinks the display is a benefit; showing the City cares and that she wanted to thank Council.

Paul Lotsof addressed Council stating during the meeting of November 23, the Council chose not to approve the Consent Agenda and that he believed it was the first time since the Consent Agenda was started. Mr. Lotsof stated the third of the 3 items on the Consent Agenda were the invoices and he asked Finance Director Jim Cox what the effect was when Council didn't approve the invoices. Mr. Lotsof stated Mr. Cox assured him that the net affect was zero, adding that all the bills had been paid. Mr. Lotsof then asked why the Council should approve bills that have already been paid and likened it to closing the barn door after the horses left. Mr. Lotsof then stated prior to the establishment of the Consent Agenda, there was an item that appeared toward the end of each meeting, called the approval of bills and that occasionally, a member of the Council would mention and question an invoice, but that in many cases the answer given met with the Councilmember's approval and the bills were paid as presented. Mr. Lotsof then noted occasionally, the Councilmember would want more information and an invoice would be delayed until the next meeting and that on very rare occasions the Council would vote not to pay a particular invoice, but that under the present system, that isn't possible. Mr. Lotsof then stated as the public's elected representative, Council should be able to control the City's purse strings and they should approve invoices before payment and not after.

Mr. Lotsof then expressed concerns regarding items 3 and 4 on the agenda, stating the problem is the typical person seeing the posted agenda would not have a clue as to the changes that are being contemplated or even the subject matter and that he would bet that 95% of the citizens of Benson could not tell what Chapter 2 was about and even if they did know, the posted agenda doesn't even give a hint about the specific changes that are being proposed. Mr. Lotsof stated Arizona's public meetings law, ARS 38-431.02A states that "agendas list the specific matters to be discussed, considered or decided" and the way these agenda items are worded falls far short of this requirement. Mr. Lotsof then stated that considering the fact that there is nothing in the proposed chapter changes that is extremely urgent, he suggested both items be tabled until the next meeting when a properly worded agenda can be presented to the public.

### **CITY MANAGER REPORT:**

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

- December 19, 2009 – Historic Preservation Commission, 9:00 a.m., City Hall
- December 22, 2009 – Community Watershed Alliance, 6:30 p.m., City Hall
- December 28, 2009 – City Council Meeting, 7:00 p.m., City Hall

- December 19, 2009 – Last Day of “Toys for Tots” drive. New unwrapped toys can be dropped off in front of Safeway on the 19th or at the Fire Station during this week from 8:00 a.m. to 5:00 p.m. Mr. Nichols stated since collections are down, we’re asking people to reach deeper this year to help those in need.
- December 25, 2009 – HOLIDAY, City Offices Closed
- January 1, 2010 – HOLIDAY, City Offices Closed

**CONSENT AGENDA:**

- 1a. Approval of Minutes of the November 9, 2009 Regular Meeting
- 1b. Approval of Minutes of the November 23, 2009 Regular Meeting
- 1c. Agreement between the Border Environment Cooperation Commission (BECC) and the City of Benson for Water Improvements to the SKP Well in Benson, Arizona as directed by Resolution 49-2009
- 1d. Renewal of an Independent Contractor’s Agreement with CH2M HILL for Consulting Engineering Services on an As-Needed Basis
- 1e. Renewal of an Independent Contractor’s Agreement with Engineering & Environmental Consultants, Inc. for Consulting Engineering Services on an As-Needed Basis
- 1f. Renewal of an Independent Contractor’s Agreement with PSOMAS for Consulting Engineering Services on an As-Needed Basis
- 1g. Renewal of an Independent Contractor’s Agreement with Stantec for Consulting Engineering Services on an As-Needed Basis
- 1h. Renewal of an Independent Contractor’s Agreement with Sunrise for Consulting Engineering Services on an As-Needed Basis
- 1i. Renewal of an Independent Contractor’s Agreement with WILLDAN Engineering, Inc. for Consulting Engineering Services on an As-Needed Basis
- 1j. Renewal of the Construction Services Agreement with D. Fenn Enterprises for Job Order Contract for Miscellaneous Paving Services
- 1k. Renewal of the Construction Services Agreement with K & B Asphalt for Job Order Contract for Miscellaneous Paving Services
- 1l. Invoices processed for the period from November 3, 2009 through November 16, 2009
- 1m. Invoices processed for the period from November 17, 2009 through December 7, 2009

Councilmember McGoffin moved to approve the Consent Agenda. Seconded by Councilmember Sacco. Motion passed 5-0 with Councilmember Lodzinski abstaining, stating his son worked for Stantec, Inc. and Mayor Fenn abstaining, stating even though he did not have a conflict of interest, he would abstain from the action approving the D. Fenn Enterprises contract.

**NEW BUSINESS:**

**1. Request of support and sponsorship of the Benson Company of the Arizona Rangers’ Arizona Rangers Territorial Days, February 13-14, 2010, to include possible financial assistance**

Brad Cherry of the Benson Company of the Arizona Rangers spoke to Council thanking them for the opportunity to address them. Mr. Cherry then stated this will be the 2nd Annual Territorial Ranger Days in the City and as it was last year, the main event will be a mounted Cowboy action shoot. Mr. Cherry indicated last year 400-500 people attended with 60 riders participating and that they had 80 riders confirmed so far this year. Mr. Cherry stated this year they were trying to solicit corporate sponsors to defray the cost of the 2 day celebration, but with the economy being down, they were still struggling to get

corporate sponsorships. Mr. Cherry stated the celebration coincides with the date Arizona became a state and they would like to have Territorial Days increase in scope each year and hope that by 2012, which will be the centennial of Arizona's statehood, it will be a destination event for people in this area. Mr. Cherry then informed Council that their State Headquarters has allowed them to use this event as their annual fundraiser, allowing the Rangers not to pay an assessment back to the State, and that last year the Rangers used some of the money raised to purchase radio equipment and this year, they would like to buy ballistic vests for the Rangers, as not all the Rangers have ballistic equipment and the vests they do have are outdated. Mr. Cherry then informed Council of the corporate sponsorship levels, stating the City was very generous last year, giving the Rangers \$1,000.00, which helped offset the cost of the radio equipment they purchased as well as assisted in providing 2 scholarships and that this year the Rangers have increased their scholarship program to 3 scholarships to include the Benson High School, the St. David High School and the San Pedro High School in the amount of \$500.00 each. Mr. Cherry then stated as a law enforcement assist organization, the Rangers try to assist the Benson Police, the Sheriff's office and the Department of Public Safety (DPS) as much as they can, indicating this year so far, they have done 3,480 hours of duty service with 803 hours of that being law enforcement assist, which is either a direct assistance with the Police Dept, the Sheriff's office, DPS or in the case of schools sporting events, taking the place of an officer or two. Mayor Fenn thanked Mr. Cherry for the service the Rangers provide, stating they are very well known throughout the community. Mr. Cherry thanked Council stating the Rangers enjoy giving back to the community and anything they can do to assist the Council in their mission is what they would like to do. Mayor Fenn asked Council for their comments. Councilmember McGoffin asked about the amount in the community enrichment fund with Mr. Nichols stating there was approximately \$7,000 left in the community enrichment budget. Councilmember McGoffin then stated there was still 6 months left in the current fiscal year and there would be a lot of requests in that time, stating she felt the Council would have to give less this year than we did last year, citing there are more organizations that need assistance and was thinking of donating approximately \$500.00 to \$750.00. Mayor Fenn then asked Finance Director Jim Cox about other requests he knew of that may come forward requesting funding from the community enrichment budget. Finance Director Jim Cox stated Council had expended \$3,000 so far, that Council was in the same range as last year at this time and had went on to spend \$9,800 out of \$10,000 in the last fiscal year. Mr. Cox stated many of the upcoming requests were recurring requests like support of the High School Seniors and State Championship rings, and that a donation in the range Councilmember McGoffin stated is doable and wouldn't jeopardize any future requests. Mayor Fenn stated just because an item is in the budget, doesn't mean Council has to expend those funds. Councilmember McGoffin moved to approve a donation in the amount of \$750.00 to the Rangers for the Territorial Days, stating the event was a benefit enhancing community enrichment. Seconded by Councilmember Lodzinski. Motion passed 7-0. Mr. Cherry thanked Council for their donation and stated they will put it to good use.

2. **Commercial Lease Agreement between the Benson Area Food Bank and the City of Benson for real property located at 370 S. Huachuca Street, Benson, AZ**

City Manager Glenn Nichols addressed Council stating the current lease agreement with the Benson Area Food Bank, which is renewable at the end of the year, was reviewed and updated to clarify language, list current addresses and address the conflict of interest statute. Mayor Fenn asked if the utilities in the building were separately metered for the Benson Area Food Bank and the San Pedro High School and if the City paid the utilities for the food bank with staff indicating the utilities are separate for the food bank and the high school and that the City does pay the utilities for the food bank. Vice Mayor King stated the food bank was as a very worthy cause in the City and moved to approve the commercial lease agreement between the Benson Area Food Bank and the City of Benson for real property located at 370 S. Huachuca Street, Benson, Arizona. Seconded by Councilmember McGoffin. Motion passed 7-0.

3. **Resolution 76-2009 of the Mayor and Council of the City of Benson, Arizona, declaring as a Public Record that Certain Document entitled "Amended Chapter 2, 'Mayor and Council,' dated December 14, 2009"**

City Clerk Vicki Vivian addressed Council stating language in Chapter 2 of the Benson City Code had been

changed to reflect current law, such as the change throughout the chapter to reflect the ordinance regarding the Direct Election of the Mayor, noting previously, it was not consistent throughout the entire chapter. Ms. Vivian then stated one area that did change was the format and order of the agenda, indicating the agenda would no longer contain "Old Business" items, that the Consent Agenda will be the first item under New Business, and that the format now included proclamations and public hearings. Ms. Vivian then stated another change was made to reflect the change in state law regarding Councilmembers' oaths of office. Ms. Vivian stated effective November 29, 2009, Councilmembers can now take their oaths at the commencement of their term, eliminating the requirement of taking the oath 24 hours prior to the commencement of their term. Ms. Vivian then addressed the process of adopting a proposed Code change stating the change must be adopted by an ordinance, which must be published. Ms. Vivian then stated there is a provision that enables a City to adopt the provisions of a code by reference, saving the City the cost of publishing the entire document, but that in order to do this, the Council must first adopt a resolution declaring such provisions as a public record, with three copies on file in the office of the City Clerk. Ms. Vivian then stated an ordinance can then be approved referencing the document or change that was declared a public record, publishing the ordinance in its entirety. Ms. Vivian stated the next item on the agenda for Council consideration is the ordinance that would adopt this item by reference. Mayor Fenn then asked if a Councilmember pulled an item from the Consent Agenda, if it would be the first item of New Business with Ms. Vivian indicating it would. Mayor Fenn then stated the copy provided in the Council packet was marked for Council and any concerned citizen to easily identify the proposed changes. Ms. Vivian stated the document was also available at City Hall during business hours and was also available on the City's website. Councilmember Sacco moved to approve Resolution 76-2009. Seconded by Councilmember Lambert. Motion passed 7-0.

4. **Ordinance 541 of the Mayor and Council of the City of Benson, Arizona, amending the Benson City Code, Chapter 2, "Mayor and Council," deleting Chapter 2 in its entirety and replacing with "Amended Chapter 2, 'Mayor and Council,' dated December 14, 2009"**

Mayor Fenn stated this ordinance will adopt the previous item. Councilmember Boncquet moved to approve Ordinance 541. Seconded by Councilmember Lodzinski. Motion passed 7-0.

5. **Discussion and possible action regarding the cancellation of the December 28, 2009 Regular Council Meeting**

Mayor Fenn stated if any pressing item needed to be addressed by Council, a special meeting could be called. Councilmember McGoffin moved to cancel the December 28, 2009 Regular Council Meeting. Seconded by Councilmember Lodzinski. Motion passed 7-0.

6. **Discussion and possible action regarding the City Employee Holiday Bonus; may include whether to award a bonus and the amount and type of the bonus**

Councilmember McGoffin asked to be excused from this item, due to a conflict of interest, and left the dais. City Manager Glenn Nichols addressed Council stating that during these tough economic times, the ability to provide cost of living increases or merit increases has not been possible, just as it was not possible in the previous year. Mr. Nichols then stated in the previous year, the City Council gave employees an extra day off at both Christmas and New Years to recognize their service. Vice Mayor King spoke stating the economy did not allow Council to give any cost of living increases or merit increases and that this would enable Council to recognize employees, giving them time to travel, if needed, and additional time to be spent with their families. Councilmember Lodzinski moved to approve December 24, 2009 and December 31, 2009 as additional holidays for the City employees. Seconded by Vice Mayor King. Mayor Fenn asked about the cost of these additional holidays with Finance Director Jim Cox stating the only additional cost to the City would be for the public safety personnel required to be on duty, giving an approximate amount of \$2,500.00. Mayor Fenn then asked if there was any further discussion before calling for a vote. Motion passed 7-0.

7. **Review of City Finances with emphasis on November, 2009, financial results, the City's financial position at November 30, 2009, and discussion of future revenue streams**

Finance Director Jim Cox addressed Council beginning with citywide financial highlights, stating cash has increased by \$213,000, that it decreased \$221,000 last month, and was solely due to the timing of the payment and subsequent reimbursement of the CDBG funds, indicating our cash has been the same the past two months. Mr. Cox then stated the citywide fund balances decreased by \$3,000 in November, essentially flat, but year-to-date were still down \$337,000 which is similar to the payment of \$360,000 to Zion's bank on July 1, 2009, so we're right at breakeven on our fund balances for the year with the exception of our debt payment. Mr. Cox stated the trends were almost a carbon copy of last year at this time, stating many cities would be envious of this trend. Mr. Cox then addressed citywide financial results, stating City revenues decreased by \$140,000 in November and \$750,000 year-to-date versus last year, but that there was \$166,000 decrease in construction sales tax, citing several projects were completed during the latter part of last year and that grant reimbursements are down \$300,000, stating last year the City had a very large airport grant. Mr. Cox then addressed the summary of all City funds, which includes personnel, the general fund and the enterprise funds, stating gas revenues are down due to the weather and the lower price we're paying for gas, personnel costs are flat with last year, and that other costs were down almost \$286,000 year-to-date, but that it was due to lower grant spending, stating the City was still in a recession mode and were basically even with last year. Mr. Cox stated the General Fund revenues decreased \$68,000 in November and \$177,000 year-to-date, that \$68,000 decrease in sales tax due was primarily due to lower sales tax revenues the State shares with the City, not City sales tax revenues and that state shared revenues are down \$74,000 and continue to drop. Mr. Cox stated last year, the City made some major surplus asset sales via the internet, but have sold fewer assets this year. Mr. Cox then stated expenditure wise; personnel costs in the General Fund are down \$105,000 due to unfilled positions and should be flat through the end of the year. Other costs are up \$11,000 year-to-date, which means we're continuing to be conservative with our funds. Mr. Cox then addressed our Fund Balance stating it's down by \$63,000 in November and \$238,000 year-to-date, citing in November, the City made a \$70,000 annual payment on our fire truck and \$20,000 on IT system upgrades, stating considering the time of the year and the state of the economy, he was pleased with where we sit right now. Mr. Cox then spoke about the enterprise Funds, stating the Gas Fund is down \$2,000 for November, but down \$73,000 year-to-date and the revenues are down by \$123,000, stating it should catch up very quickly in the months of December, January and February. Mr. Cox then stated the Water Fund was up \$9,000 for November and up \$101,000 year-to-date, but that we needed to bear in mind that we are doing very limited capital spending with only essential spending. The Wastewater Fund is breakeven for November and slightly ahead year-to-date, again with very limited capital spending. Mr. Cox then addressed the future, stating our local sales tax revenues were distorted for the month of November due to several amended returns being filed, claiming significant refunds that were withheld from our tax payments from the State. Mr. Cox said the finance department is working on this situation and expect it to be reversed.

Mr. Cox then briefly addressed City Tax Collections, including Sales Tax, Construction Tax and Bed Tax collections stating the City actually had a little bit of an increase this month compared to this month last year, even with the amended returns that withheld \$50,000 from the City, which he found encouraging. Mr. Cox stated the General Fund sales tax collections are similar to last year, possibly getting better than last year, that Construction sales tax collections are a little lower than last year, but that was to be expected, stating it's still above 2007-2008, that Bed taxes are just slightly below last year and it will be interesting to see how it develops. Mr. Cox stated that Restaurants and Bars are doing a little better this year than they have the prior two years and he's had extensive conversations and that the consensus is the biggest thing that has changed is that the Tourism Supervisor, Mr. Bob Nilson put together a map of the City and a location of all significant City businesses, including the hotels, motels and restaurants and has been aggressively distributing them. Mr. Cox stated that change seems to have had a very nice positive effect, because in reality every other city we know of, those are going down. Mr. Cox then compared the City sales tax collections to State tax collections, and stated if you take out the unusual items that have occurred, City sales tax collections, while being lower than the 2007-2008 timeframe, are just about equal with 2008-2009, whereas on the State side, we're seeing a continued deterioration of sales tax revenues, which means

a continued deterioration of economic activity. Mr. Cox stated there is no real end in sight and no encouragement in the numbers at the State level, but there certainly was in the City level.

Mr. Cox stated total sales tax collections were down overall \$10,000 year-to-date, the City's cash balances were being maintained with the City not pulling any money out of savings except for our annual debt payments. Mr. Cox said state revenues continue to slide and he doesn't see any end in sight or any signs of recovery at the state level. Mr. Cox stated as he says every month, the City can survive in this economic environment if we don't have any unexpected expenditures.

Mr. Cox then stated the state shared revenues are less than 20% of our total revenues and we would need to have an additional significant hit before it would affect us, but that he's keeping a close eye on the decrease and as he starts working on next year's budget, he's starting to look at the possibility of other alternative revenue enhancing sources to offset the losses in state shared revenues, since those losses will continue and will be worse next year than this year and is one area in our revenue budget that we don't have any control over.

Mayor Fenn thanked Mr. Cox for the update on the City's finances.

**COUNCIL DIRECTIVES:**

None.

**DEPARTMENT REPORTS:**

None.

**ADJOURNMENT:**

Mayor Fenn moved to adjourn at 8:08 p.m. Seconded by Councilmember Lodzinski. Motion passed 7-0.

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Mark M. Fenn, Mayor

ATTEST:

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Vicki L. Vivian, City Clerk