

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD FEBRUARY 25, 2019 AT 7:00 P.M.
AT THE BENSON COMMUNITY CENTER, 705 W. UNION STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 6:58 p.m. with the Pledge of Allegiance. Mayor King then introduced Councilmember Lupe Diaz whom gave the invocation.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Joe Konrad, Councilmembers Pat Boyle, Larry Dempster, Lupe Diaz and Barbara Nunn.

EMPLOYEE RECOGNITION:

Mayor King recognized Guadalupe Varela for 25 years of service with the City and presented Mr. Varela a plaque. Mayor King then gave a brief history of Mr. Varela's career and thanked Mr. Varela for his service.

PROCLAMATION: None

PUBLIC HEARING: None

CITY MANAGER REPORT:

City Manager Vicki Vivian addressed Council, giving the dates of upcoming meetings and events.

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| Monday, March 11, 2019 | – Council Meeting, 7:00 p.m., Community Center |
| Saturday, March 16, 2019 | – Historic Preservation Commission, 9:00 a.m., Long Realty |
| Thursday February 28, 2019 | – Library Guest Speaker Donna Morley, 10:30 a.m., City Library, Benson
Hospital Director of Nutrition Services – Healthy Eating |
| Saturday, March 2, 2019 | – Benson Hospital Health and Wellness Fair “Home Run for Health”
From 8:00 a.m. – 12:00 p.m. |
| Sunday, March 17, 2019 | – Benson City Grille, San Pedro Golf Course
will be having a St. Patrick's Day Special
from 11:00 a.m.- 3:00 p.m. Corned Beef and Cabbage |

NEW BUSINESS:

1. **Discussion and possible action on the Consent Agenda**

- 1a. Minutes of the June 25, 2018 Worksession
- 1b. Minutes of the September 10, 2018 Regular Meeting
- 1c. Minutes of the January 28, 2019 Regular Meeting
- 1d. Minutes of the February 11, 2019 Regular Meeting
- 1e. Invoices processed for the period from January 31, 2019 through February 13, 2019

Vice Mayor Konrad moved to approve the Consent Agenda. Seconded by Councilmember Nunn. Motion passed 6-0.

2. **Discussion and possible action to appoint an individual to fill the Council seat vacated by Councilmember Garner**

City Manager Vicki Vivian stated on January 31, 2019 Councilmember Levi Garner resigned from the City Council and per the City Code, a vacancy must be filled within 30 days. Ms. Vivian then said State law mandates that “The council shall fill a vacancy that may occur by appointment until the next regularly scheduled council election if the vacancy occurs more than thirty days before the nomination petition deadline, otherwise the appointment is for the unexpired term” and therefore, the appointed person will serve until December 2020 and the 4-year term will then (along with 2 other 4-year terms and the 2-year Mayoral term) be on the ballot in the August/November 2020 election cycle. Ms. Vivian then stated the City Clerk’s office advertised the vacancy and requested interested parties to complete the application process for possible consideration to be appointed to the Council Member position and the applications are before Council for their consideration. Ms. Vivian then stated the applicants were asked to be at the meeting to answer any questions the Council may have and to be seated should Council appoint someone. Ms. Vivian stated she’s believes all three applicants are present if Council would like to ask questions, adding there is no formal process in place, so it would be up to the Council on how to proceed.

Vice Mayor Konrad moved to approve to appoint Anicleta Maldonado to Council. Seconded by Mayor King. Motion passed 6-0.

3. **Discussion during and/or after presentation by City staff of City Finances, with emphasis on December 31, 2018 financial results, current year budget process, and the City’s financial position at December 31, 2018**

Finance Director Seth Judd reviewed the second quarter of Fiscal Year 2019, stating 50% of the year has passed at this point. Mr. Judd then stated Citywide revenues for the month of December is \$900,000 which is a decrease from last year, adding there are a few factors that play into that decrease. Mr. Judd stated year-to-date, the City has collected \$5,318,000 which is up from last year by \$187,000. Mr. Judd then stated Citywide expenses for the month of December were a little over \$691,000 which is an increase of about \$16,000 from last December. Mr. Judd then stated year-to-date, Citywide expenses are at a little over \$4,000,000 which is an increase from last year at this time. Mr. Judd then stated the City’s net position is \$1,300,000 and is at a \$204,000 decrease from last year at this time, but he does expect it to turn around in the next few months. Mr. Judd then briefly spoke about the upcoming budget, stating Department Heads submitted their Capital Improvement Projects 2 weeks ago and he will be meeting with the City Manager this Friday to discuss those and then hold second meetings with Department Heads to finalize them. Mr. Judd stated he will be sending out budget sheets to Department Heads for their budget information and he has also posted public notices for the property tax levy that has to go out 60 days before the public hearing.

Vice Mayor Konrad questioned if there was a way to pinpoint the decrease in sales tax revenue and if it was attributed to a business closing or if it was just a general decrease with Mr. Judd stating he would have to pull reports on that, but when he initially reviewed the numbers, he could not see an explanation for it. Vice Mayor Konrad stated it is a bit of a disappointment since the winter visitors were here in December with Mr. Judd stating the revenues for the month of December are actually October’s collections. City Manager Vicki Vivian then stated winter visitors did start arriving earlier this year due to being snowed in at their homes last year and we should start seeing numbers increase. Mr. Judd then stated the numbers for January are looking better, so hopefully the next report will show that.

Mayor King stated within the next two months, the City should be seeing an incline with Ms. Vivian stating the gas utility has been doing well lately due to the weather.

Councilmember Boyle asked about the City eliminating sales tax on food and if Staff had a chance to look at that with Mr. Judd stating he had pulled some numbers on this issue, adding sales tax on food accounts for 25% of the City sales tax income or approximately \$1 million in a calendar year, adding it is a pretty significant amount of the overall sales tax collection.

Councilmember Dempster stated the Golf Course is projected to have a loss of \$467,000 and a net loss of \$233,000 and asked Mr. Judd to confirm this with Mr. Judd stating if the City were looking at the Golf Course closing today, the loss as of January 31 would be just over \$300,000, adding the General Fund would have to transfer \$155,000 more than the already budgeted transfer, which again would total just over \$300,000 to bring the Golf Course fund into balance.

Councilmember Boyle asked if that was calculating until the end of the current fiscal year with Mr. Judd stating that was calculated as of January 31. Mr. Judd then stated he is uncomfortable making a prediction about the end of the fiscal year because the Golf Course is cyclical and we are now coming into their busiest time of the year and he wouldn't want to give the Council misleading information. Ms. Vivian agreed, stating their busy season is just beginning and noted that unfortunately, the weather that has been so good for our gas utility has also been harmful to the Golf Course. Ms. Vivian stated we should hopefully see increased revenues at the Golf Course over the next few months; at least until March.

Mayor King stated that he and Ms. Vivian took a trip out to the Golf Course last Tuesday and there were a lot of discussions, adding it was quite an interesting and eye-opening experience. Mayor King then stated there will be things happening that will improve some of the spending that is taking place now, once they are implemented.

Vice Mayor Konrad stated the size of the microscope lens that Council will be looking through this budget time coming up will not be a big surprise, because it can't continue at the rate it's going and the Council must do whatever they can to start pulling it together and making a difference this year. Ms. Vivian then stated Staff is also working on another event planned at the Golf Course.

Mr. Judd stated his plan was to have a tentative budget for Council to look at with different scenarios, adding he knows that was one thing the Council requested at the worksession, so by the end of March, Staff will have a tentative budget for Council.

There was no further discussion.

CALL TO THE PUBLIC:

Stephen Insalaco, Pinto Place, J6, stated he would like to address Council once again, concerning shenanigans in the state capital, adding this time, it was on another proposed bill in the state legislature, House Bill 2523 (HB2523), which will target a specific segment of Arizona citizens, and here in Benson. Mr. Insalaco stated this address will have relevancy to Benson municipal government's jurisdiction in two ways: first, as with the proposed sales tax on food bill, it is within the Council's jurisdiction to communicate with state representatives, concerning proposed bills that Benson will benefit from, and those for which it will not; second, this public address will end with a request for a future Council agenda item on this topic. Mr. Insalaco stated a story titled "Panel oks bill letting some get less than minimum wage," appeared in the February 12 edition of the Arizona Daily Star, adding Representative Travis Grantham, representing District-12 in Gilbert, has proposed a bill which would pay some students roughly two-thirds as much as other employees working at the state minimum wage. Mr. Insalaco stated the proposed bill attempts to accomplish this travesty, by redefining who is an employee within the state, and who is not, adding if passed by the full state legislature, HB2523 would re-define employee status for students working in Arizona, thus allowing employers to pay current full-time students under the age of 22, working part-time, who would lose "state employee status," which means they would be earning as little as the \$7.25 per hour federal minimum wage. Mr. Insalaco stated this bill has already passed a state legislative panel and could become Arizona law, adding HB2523 is bad for Arizonans, and bad for Benson's high school and college students, on so many fronts that it boggles the imagination. Mr. Insalaco stated first, since students who are 18 years of age are considered adults on most accounts, this proposed bill violates federal wage laws in terms of discrimination based upon age. Mr. Insalaco then stated the proposed bill also violates federal wage laws, on the basis that equal work requires equal pay, regardless of age, gender, religion, race, or ethnicity. Mr. Insalaco then said state residents passed Arizona's first state minimum wage law in 2006, and in a second vote in 2016, passed a bill by nearly a 2-to-1 ratio, in favor of raising the minimum wage to \$12.00 per hour by 2020 and the

2016 minimum wage bill is protected, by the “Voter Protection Act.” Mr. Insalaco then stated HB2523 is attempting to contradict the Arizona voting population’s will, and negate part of the approved 2016 Arizona minimum wage bill – a violation of another state law, and not in accordance to how Arizona citizens voted. Mr. Insalaco stated when the 2016 minimum wage bill was passed, the State realized the error of its ways, when they were subjected to pay employees and students who worked at the State colleges and universities, the new state minimum wage and the state tried to get out of it by initially saying the new law did not apply to state employees, but there was no verbiage within the approved bill that indicated that – and the State had to pay all its employees, no less than the newly approved state minimum wage. Mr. Insalaco stated Governor Ducey currently has his back to the wall, trying to produce additional revenue streams to give teachers the raises that he promised, without raising taxes, which was a promise he campaigned on, so now there is a flurry of ridiculous bill proposals in the state capital, like the \$32 vehicle registration fee increase, the winter visitor vehicle registration fee, the boondoggled state income tax revision, and now this one, which he called the “state is not going to pay students what they’re worth” bill. Mr. Insalaco told the Mayor and Councilmembers that college students and youth have a tough enough time making it financially now and this bill takes away part of what little our youth and students earn, and it will do more harm than good. Mr. Insalaco then stated this is not a partisan argument and here in Benson, it will cause some Benson students to drop out of college, terminate hopes of college for others, and raise crime in this community through additional financial hardships amongst our youth. Mr. Insalaco then stated with reduced enrollment numbers, Cochise College could close the Benson Center and he would like to urge Council to denounce this bill as a Council resolution, and to communicate that resolution to the state capital. Mr. Insalaco stated with the permission of the Mayor, he would like to approach the bench, to submit to the City Clerk’s representative, a City Council Agenda Request application, requesting a near-future agenda item, to pass a resolution of the Council denouncing this proposed legislation, and communicating their displeasure of HB2523 as harmful to Benson’s students and working youth.

DEPARTMENT REPORTS: None

ADJOURNMENT:

Councilmember Boyle moved to adjourn at 7:26 p.m. Seconded by Councilmember Diaz. Motion passed 6-0.

ATTEST:

Toney D. King, Sr., Mayor

Vicki L. Vivian, CMC, City Clerk