

**THE REGULAR MEETING  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD MAY 11, 2015 AT 7:00 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Mayor King called the meeting to order at 7:00 p.m. with the Pledge of Allegiance. Mayor King stated his requested extra police officers to attend the meeting and asked that the audience not applaud or disrupt the meeting.

**ROLL CALL:**

Present were: Mayor Toney D. King, Sr., Councilmembers Pat Boyle, Jeff Cook, Joe Konrad, David Lambert and Chris Moncada. Absent was: Vice Mayor Lori McGoffin. Mayor King stated Vice Mayor McGoffin was ill and would not be attending.

Mayor King then introduced Pastor Lupe Diaz of the Grace Chapel church who asked those present to remember Kirk Sorenson and his family today who attended his grandson's funeral. Pastor Diaz then offered the invocation.

**EMPLOYEE RECOGNITION:** None

**PROCLAMATION:**

A proclamation of the Mayor and Council acknowledging the Benson Primary School for being awarded the designations of a 2014 National Blue Ribbon School of Excellence, a High Performing Reward School and a 2015 A+ School of Excellence.

Mayor King asked Councilmember Konrad to read the proclamation of the Mayor and Council acknowledging the Benson Primary School for being awarded the designations of a 2014 National Blue Ribbon School of Excellence, a High Performing Reward School and a 2015 A+ School of Excellence. Mayor King then stated he was very proud of the Benson schools, adding Benson has one of the best schools in the State thanks to the dedication of teachers, Staff, Principals and Superintendents, as well as the students. Mayor King then thanked the school for being part of the community and taking care of our youth as well as they do. Mayor King then presented the proclamation to Vicky Konrad of the Benson Primary School. Ms. Konrad then announced that the school would be holding an assembly at the school on May 12 at 9:00 a.m., where the proclamation would be presented to the School's Staff and invited those present to attend.

**PUBLIC HEARING:** None

**CALL TO THE PUBLIC:**

Kay Daggett, Foothill Drive, Benson, stated she was thankful to be here and was not going to talk about the recommendations given to the Council by the Citizens Advisory Group, adding she was speaking on her own behalf as a City resident who has lived in Benson for the last 40 years. Ms. Daggett stated how much she appreciates City staff, adding she wanted to clear the air on what she personally thinks, noting she personally objected to the furloughs and she thinks all the employees, most specifically the Police Department, should have never been cut. Ms. Daggett then stated she was very disappointed, but the furloughs happened and the result was that the City was able to build reserves, so furloughs did have some merit, but she thinks the employees deserve a round of applause since it was all on their backs. Ms. Daggett then stated she would also like to commend each Councilmember for taking the time to visit with her regarding the strategic plan, adding she feels it is very important and she is hoping Council will be able to start working on this sooner rather than later. Ms. Daggett then stated she is concerned about the way the proposed sales tax increase was stated, adding when the State raised sales tax from 5.6% to 6.6%, it was really only an 18% increase, but an increase

from 2.5% to 3.5% is actually a 40% increase. Ms. Daggett stated she wishes the Council could've gone slower and not take such a big jump, but she didn't believe any employees or any departments should be cut. Ms. Daggett then stated she thinks the Council will follow through with the strategic plan, adding another recommendation was to establish a citizen advisory commission. Ms. Daggett then stated she appreciated Mayor King, Vice Mayor McGoffin and Councilmember Lambert participating in the strategic plan formation and updating which was created in 2005 and was updated in 2009, but stated it was unfortunate the process didn't continue. Ms. Daggett then stated another recommendation for the Council was to review and analyze the current personnel salary and benefit survey the League produces, adding even though the citizens group didn't have time to review it very much, everyone can see at first review, most City employees, contrary to popular belief, are underpaid or have already achieved the highest level in their category and have taken on 3, 4, 5 and 6 other jobs and should be paid more. Ms. Daggett then stated the City may have 1 or 2 employees that might be outside the survey, but all City employees truly deserve raises. Ms. Daggett then stated when the strategic plan was done, one of the goals was to provide the community with self-sustaining, reliable, safe and economical utilities while making proper investments in infrastructure and incorporating plans. Ms. Daggett then stated the Council needed to look at utility rates, adding if they can't manage them like a business in the private sector, then they need to get out of that business.

Lupe Diaz, Post Rd, Benson, addressed Council regarding the 1% tax increase proposal, stating many know the Chamber of Commerce's position and request for the Council to vote the increase down, adding one of the reasons for this position is that the 60 days that is required by State law to increase taxes doesn't give the Council enough time to look at the City departments and the budget. Mr. Diaz then stated there is misinformation out there and with all the meetings he has attended with the City and the Council, he feels there are still some vague areas that need to be cleared up. Mr. Diaz then stated it's easy to throw money at a problem and not really look specifically into it as far as financing, adding he didn't want to throw the Finance Director or the City Manager under the bus, but this is a lot of work. Mr. Diaz then stated as an example, the Chamber recommended the City look at the Southwestern Utility Management Company proposal, and was told that the company was Southwest Gas, when it really was the Southwestern Utility Management Company the Chamber was referring to. Mr. Diaz then stated there are various opinions about the proposal, adding he knows it would be hard to transfer utilities over from City staff to another company, but he knows there are numbers in the proposal that have not been looked at because the numbers being quoted were not from Southwestern Utility Management. Mr. Diaz then stated he also knew there was an RFP to manage the golf course that was supposed to come from OB Sports in Phoenix, but they were never able to give a proposal and when Mr. Diaz brought up OB Sports, no one knew who they were so there is still a lot of work that needs to be done. Mr. Diaz then stated his request for a no vote is to give the City time to look at these things, adding the Council might be able bring up the proposed increase later.

Jim Gray, Quail Ridge, Benson, stated he owns Dillon's Corral in Benson and he wanted to address Council concerning the proposed sales tax increase. Mr. Gray stated the proposed ordinance mentions repealing code provisions that conflict with the proposed increase and asked if during the discussion, someone could explain what code provisions are in place that conflict with raising the sales tax. Mr. Gray then stated he was with the citizens group Kay Daggett was with, adding the group was formed with short notice because the Council tried addressing the sales tax increase in 60 days. Mr. Gray then stated Sierra Vista gave their committee 6 months before their budget was completed to try to analyze it and help with some solutions. Mr. Gray then stated the people on the citizens group weren't randomly chosen, but were people who wanted to be involved and were long-time members of the community. Mr. Gray then listed the members: Mark Fenn, former Mayor and Councilmember; Dan Barrera, lifetime citizen, school teacher, park owner and former Councilmember; David DiPeso, former Mayor and Councilmember; Lupe Diaz, Head of the Chamber of Commerce; Kay Daggett, who owns a business in Benson and worked in public affairs for Sierra Vista; Teresa Bennett, a long-time businesswoman in Benson; Kim Lockhart, Manager of Pioneer Title; Mahlon McKenzie, real estate broker and long-time resident and himself. Mr. Gray then stated this group came up with the suggestion to increase the sales tax by .4% to give the City a boost, adding it would bring in about \$600,000 to help solve some of the problems. Mr. Gray then stated the group thought the City should move slower and take a year or so to digest what needs to be done to cut costs. Mr. Gray then stated he also gave Council an article from the Sierra Vista and Benson newspapers regarding smaller government, adding that all city, county and state governments are looking at ways to cut their budgets. Mr. Gray stated privatizing is one way and there are also other ways.

Mr. Gray then stated the main reason they are cutting expenses is due to payroll, adding payroll and benefits costs are going to continue increasing and are heavy on governments. Mr. Gray then stated he thinks the Council needs to look at some of the alternative directions to help run the City because the Council can't do everything and can't tax their way out of some situations. Mr. Gray then stated the citizens committee recommends a lesser tax increase that would give the Council and the City Manager time to solve some of the problems without taxing so strongly and for such a long period of time that it's going to affect retail businesses, adding when the State increased sales taxes, Benson lost a lot of businesses. Mr. Gray then asked the Council to be conscious, adding this issue isn't a matter of life and death and there are some reserves. Mr. Gray then asked the Council to take their time, look at some solutions and form a citizens group, adding the Council needs help and sometimes 6 or 7 people can't really determine what's best for the entire City.

Bill Jakobek, Merrill Street, St. David, stated some people, though not residents of Benson, got together and polled the buying public in the form of an open letter to the Mayor and Council, titled "Read our lips, no new taxes." Mr. Jakobek stated the people who signed the letter are not voters and are not even Benson residents, but they are people who shop in Benson. Mr. Jakobek then stated Mayor King came to see who was in front of Safeway gathering signatures, adding he appreciates that as it shows that Mayor King has some concern, then asked why the other Councilmembers were not there talking to the same consumers he was. Mr. Jakobek then stated the proposed 1% increase is really a 40% increase over what is being charged now and stated there is no guarantee the Council will spend the increased sales tax revenue any better than they did in the past. Mr. Jakobek then read the text of the letter, "We the undersigned want you to know that we are opposed to any tax increase. Sales taxes here are already higher than in Tucson, yet those who live in Tucson get a lot more services for their tax dollars. You have failed to show any leadership and cost cutting. None of you have even offered, much less taken a cut in your pay and you are the ones responsible for the state of the City's finances as they are today. This is not a recall petition, it has no legal force. Those who signed may or may not live in Benson and their voting status is not noted, but it still should still be taken seriously; it expresses the wishes of your consumer base. We can vote with our feet and with every dollar we have, we choose where to spend it and come election time will certainly be the deciding factor in who gets elected. Those who have chosen to sign this want you to know they reject the increase as a bad idea. It's also a bad gesture to pretend that if you don't get your way, the services you cut will harm Benson's most vulnerable populations. Using the elderly and children as human shields to protect your pet projects, to pay for your vendettas and for refusing to see where Benson is losing money and cutting the losses is the most cynical thing on your part. Should you decide to cut vital services to our guests, our young, elderly and infirmed, the impact it will have on winter visitors will hurt the City. Cutting the Library, the Community Center and the Pool harm those who rely on the use of the internet service at the library, the Meals on Wheels program out of the Community center and closing the pool leaves next to nothing for children to do. In short, we insist you find ways to cut services that need to be cut. The Building Department could completely disappear. You might want to make that disappear while some of the major characters are gone from it. The whole golf course failure should be sold and without a doubt, there are many other areas that could disappear. Leave the services Benson needs alone. We will be watching the days and weeks ahead to see your response. Truly, Benson area citizens, voters and shoppers." Mr. Jakobek then stated he collected over 450 signatures on a part-time basis, adding he could have collected 1,000 signatures, but felt he collected enough to get the message across to the Council. Mr. Jakobek then stated some of the people he spoke to were from Willcox and were shopping at Safeway in Benson, adding when he asked them why they weren't shopping in Willcox, they told him it was because Willcox increased their sales tax. Mr. Jakobek then stated when he told these people that the Council was considering a sales tax increase in Benson, they told him that Tucson was only another 30 minutes away. Mr. Jakobek then stated if the Council increases the sales tax, people will vote with their feet and the increase will not be helping Benson. Mr. Jakobek then stated the Council needs to look at the City utilities and the golf course like businesses, adding if a business runs into problems, one of things that is done is to cut losses. Mr. Jakobek then stated the Council has investments they need to sell because they are not performing, adding they are not bringing in money and are not paying their own way. Mr. Jakobek then stated the Council could then take the money from selling those things and put it in the bank with low interest rates to get more money that way. Mr. Jakobek then stated the Council needs to sell things like the City utilities because with time, these services deteriorate.

## **CITY MANAGER REPORT:**

City Manager William Stephens addressed Council, giving the dates of upcoming meetings and events.

Tuesday, May 12, 2015 – Library Advisory Board, 4:00 p.m., City Library – CANCELLED  
Tuesday, May 12, 2015 – Planning & Zoning Commission Meeting, 7:00 p.m., City Hall  
Saturday, May 16, 2015 – Historic Preservation Commission, 9:00 a.m., City Hall  
Monday, May 25, 2015 – City Council Meeting, 7:00 p.m., City Hall – unless Cancelled  
Tuesday, May 26, 2015 – Community Watershed Alliance, 6:30 p.m., City Hall

Friday, May 22, 2015 – Benson City Pool Opens at 12:00 p.m., For more information on the pool and our other summer activities, go to the [www.cityofbenson.com](http://www.cityofbenson.com) and look for Parks and Recreation

Monday, May 25, 2015 – Memorial Day Pool Party. Kick off the Summer Swim Season with the City of Benson's Forget me Not Memorial Day Pool Party Monday, May 25, from 11:00 a.m. – 5:00 p.m., Join us for a fun day filled with music, prizes, and food! Free swim is sponsored by the VFW Women's Auxiliary

Monday, May 25, 2015 – Memorial Day – City Offices Closed

## **NEW BUSINESS:**

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

1a. Minutes of the April 13, 2015 Worksession

1b. Minutes of the April 13, 2015 Regular Meeting

1c. Invoices processed for the period from April 21, 2015 through April 29, 2015

Councilmember Konrad moved to approve the Consent Agenda. Seconded by Councilmember Boyle. City Clerk Vicki Vivian asked if item 1b could be removed from Consent Agenda, stating the April 13 Regular Meeting Minutes would be presented at the next Council meeting. Councilmember Konrad amended his motion to approve the Consent Agenda without item 1b. Amended motion was seconded by Councilmember Boyle. Motion passed 6-0.

### **2. Discussion regarding the Union Pacific Grant to the City of Benson and the Benson Clean & Beautiful Committee**

City Manager William Stephens stated Tourism Director Bob Nilson worked with Union Pacific in applying for a \$6,000 grant to construct a G-scale model railroad to run inside the Visitor Center at ceiling height. Mr. Stephens then stated Union Pacific then added \$2,000 to the award to be given to the Benson Clean & Beautiful committee to support their efforts in painting murals in the City. Councilmember Moncada then presented the check to Lisa Hill, President of the Benson Clean & Beautiful committee. Councilmember Moncada then stated the grant funding was 100% from Union Pacific, adding there was no expense from the City.

### **3. Discussion and possible action regarding the cancellation of the May 25, 2015 Regular Council Meeting**

City Manager William Stephens stated the next regularly scheduled Council meeting is on May 25, which is Memorial Day, adding City offices will be closed and this item is a request to cancel the next Council meeting. Mr. Stephens then stated should anything important need to be addressed, the Council could hold a special meeting. Councilmember Moncada moved to cancel the May 25, 2015 Regular Council meeting. Seconded by Councilmember Lambert. Motion passed 6-0.

### **4. Discussion and possible action regarding Ordinance 577 of the Mayor and Council of the City of**

**Benson, Arizona, about the privilege license tax; amending the City Tax Code to increase that tax rate; repealing Code provisions that conflict; penalizing violations thereof; providing for severability; designating an effective date and making provision for existing contracts**

City Manager William Stephens stated this is the ordinance regarding the proposed 1% sales tax increase for the City of Benson, adding Staff is seeking approval for a 1% increase in Sales Tax revenue. Mayor King opened the item for discussion.

Councilmember Konrad stated from the beginning, he has been opposed to a 1% increase and hasn't changed his mind, adding he feels the Council needs to take a slower approach on this issue. Councilmember Konrad stated there are several reasons he feels this way, adding when Mr. Stephens came onboard, the City was already knee deep in the budget crises and as a result of that, employee furloughs were implemented to help relieve some of the financial burden, noting good idea or bad idea, it happened and he didn't want to look back on that right now. Councilmember Konrad then stated he certainly wants to see the employees back to work, first and foremost, noting the City has lost several good people as a result of the furloughs and he doesn't want to see that trend continue. Councilmember Konrad then stated he knows it sounds like he is talking out both sides of his mouth, but he's not and would make his point, stating he would like to see more time spent on this issue, adding Finance Director Dustin DeSpain recently came to work for the City a few months ago and has also been tasked with part of the HR Director duties. Councilmember Konrad then stated he thinks the Council has an opportunity to talk about a strategic plan and move toward it and see if they can come up with better solutions than a 1% increase for the next 7 years, adding he just doesn't see this as being the solution to the problem. Councilmember Konrad then stated he didn't have a silver bullet to offer, noting the City does need to hire some key personnel in the Gas Department to be in compliance with the Arizona Corporation Commission (ACC) and that concern needs to be addressed, adding to do so will take money. Councilmember Konrad then stated his suggestion at this time is to go with the 1% increase for 1 year to get the City through this upcoming year and then for the Council to visit the strategic plan and come up with a way to solve several problems. Councilmember Konrad then stated this would give Staff and Council more time. Councilmember Konrad then stated he has heard that the City should outsource the golf course and the utilities, but to do so would require RFPs, which require time, adding a temporary increase would give the Council a year to look at options and possible solutions. Councilmember Konrad then stated if outsourcing is a solution, the Council can then do RFPs and have the time to do them intelligently. Councilmember Konrad then stated Director of Golf Joe Delvecchio just came on and the Council has seen major changes in the golf course, adding they need to give Mr. Delvecchio a chance to do his job and see how that goes. Councilmember Konrad then restated that he would be in favor of an increase for 1 year to get the City through this period of time so the Council can get together and make some intelligent decisions. Councilmember Konrad then stated the other thing the Council has talked about that plays into this issue is a utility rate study, adding a temporary increase would give the Council time to conduct that study and possibly offset the sales tax increase with utility rate increases as necessary, adding the Council needs to look at the utilities and the infrastructure and see what needs to be done to build contingency funds for the utilities.

Councilmember Boyle stated he was also against the sales tax increase for that amount, adding he thinks it may be a good idea to do it temporarily to get the City by until the Council can do some further studies as Mr. Lupe Diaz mentioned. Councilmember Boyle then stated there were a couple of items he wanted to mention, adding every time he talked to anyone about the budget, they always told him that the Council needs to sell the golf course, but a couple of weeks ago, the Council spoke about the RFP they wanted to put out a little over a year ago to see if anyone was interested in buying or leasing the golf course and according to that report, there was no response. Councilmember Boyle then stated it's not just a matter of selling the golf course; there has to be a buyer, which is the wall the Council is up against. Councilmember Boyle then stated the other thing he wanted to mention was that if the Council decides to privatize City utilities, such as gas and water, the first thing that would happen would be a large rate increase on those utilities, adding the City doesn't have to operate for profit like a business does. Councilmember Boyle stated the Council still needs to act like a business, but at the same time, the public has to understand that the City utility rates are way below the averages across the state and if the Council just blindly jumps into privatization, the public better be ready for increases of about 50%, which he is totally against. Councilmember Boyle then stated another thing brought up in utility discussions is that the expenses the City has would be reduced because the City has to pay benefits

costs for employees whereas a management company wouldn't have to. Councilmember Boyle then stated in Chicago, they are looking at one of their large pension plans going broke because the City simply can't afford to pay into the plans for all the people who have worked for 30 years, adding Chicago, itself, is going broke for the exact same reason, noting it's hard and expensive to have employees to do these things. Councilmember Boyle then stated it also sounded like he was talking out both sides of his mouth, but on one side, people say to get rid of employees in the Gas and Water Departments, but on the other hand, utility rates will go up. Councilmember Boyle then stated this is a real can of worms and there's no easy way out of this, adding the City does have some serious financial problems and he thinks the best thing to do right now is to study it more. Councilmember Boyle then stated if the Council is going to do something, it should be done on a temporary basis and then spend more time on the issue.

Mayor King stated this is something the Council has been working on and discussing for more than 2 months, at least he has, adding he feels the City does need the increase to bring the City and its services back to where they were. Mayor King then stated there have been comments that the Council hasn't cut the budget, but that is not true, adding the Council has been cutting and cutting, adding the Council asked a lot from the City employees over the last few years with cuts and furloughs. Mayor King then stated furloughs weren't his favorite thing, but they did happen and he wants to bring the employees back to work, adding people say the City has too many employees, but they don't understand that a lot of those employees are temporary or part-time, such as the lifeguards, which now must be hired as employees, noting there are about 72 full-time employees, not 103 as mentioned in previous discussions. Mayor King then stated there is a lot of information being shared that is not correct, adding he wasn't referring to the Citizen group, noting that group did a lot of work and did a good job, but when it comes to outsourcing utilities and the golf course, a lot of the information being shared is wrong. Mayor King then stated the majority of the San Pedro Pass holders at the golf course are winter visitors and if the City gets rid of the golf course, the question of whether they will come back to Benson has to be asked. Mayor King then stated this is an example of a choice the Council faces every day. Mayor King then stated the Council doesn't know if it would discourage winter visitors from coming back, but he didn't think a 1% sales tax increase is going to be as devastating as some people say. Mayor King then stated a survey the Council received from the library showed that 82% of those surveyed are in favor of the proposed tax increase to keep City services. Mayor King then stated he feels the Council needs to do the right thing to get employees back full force, the Police Department back and more officers on duty to make the community safer, adding the City also needs more employees in the Gas Department to comply with the ACC. Mayor King then stated the utilities are maintaining their operating costs, but the Council will need to look at those rates, adding if something devastating were to happen, the City would be in trouble without funding to make repairs. Mayor King then stated he feels the Council is doing the right thing for the City and he is in favor of the proposed increase.

Councilmember Cook stated he wanted to say the same things everyone has already said, adding he is on both sides of the issue. Councilmember Cook then stated his natural position is for no new taxes and no increase on taxes, but having been on the Council just short of 2 years, he sees both sides of this and it makes the decisions incredibly difficult. Councilmember Cook then stated everyone that has talked to the Council has said what they want and think is best and the Council is dealing with an issue that has absolutely no good options, adding people have told the Council about the best bad options, but he wanted to point out what bad options he sees. Councilmember Cook then stated the City is down 5 Police Officers and without a 1% increase, only 3 officers would be replaced. Councilmember Cook then stated at the end of 2 years, the Police Department will have 6 high mileage Police vehicles that will need to be replaced and it can't be done without the 1% increase. Councilmember Cook then stated there is a sewer line on Ocotillo that needs replacing, health insurance is projected to increase 8% this year, which is beyond the Council's control, Public Safety Retirement contributions are increasing 4.6%, which is also out of the Council's control. Councilmember Cook then stated as Mayor King said, previously contracted employees, such as lifeguards, pool cashier, must now be hired as City employees with benefits also. Councilmember Cook then stated Mayor King referenced winter visitors being San Pedro Golf Course Pass holders, adding 300 of the 590 pass holders are RVers and are golf course members who stay in Benson about 6 months of the year, noting they spend money at stores and restaurants and contribute to our economy and use the golf course. Councilmember Cook then stated Mr. Delvecchio has used more DOC workers to reduce employees and has increased hours at the restaurant, which is now making money and has been for each month the change has been in effect. Councilmember Cook then

stated the golf course and the restaurant collect and pay all of their City sales taxes, adding he can't say that about all the businesses in Benson, noting there are some businesses in Benson that are not paying their share of sales taxes and rental taxes. Councilmember Cook then stated that is one aspect of why Council is wrestling with this difficult decision. Councilmember Cook then stated in addition, the City has other things such as the cemetery and public works, adding at Lions Park, the City subsidizes most of the utility light bill for all the leagues, which affects almost everyone in town. Councilmember Cook then stated the leagues give the kids something to do which in turn helps reduce problems such as graffiti, drugs, alcohol and vandalism in the community. Councilmember Cook then stated the City has a wastewater machine that has a 12-15 year lifespan, which is 15 years old now and the cost to rebuild it is \$60,000, adding it can't be done without the 1% increase. Councilmember Cook then stated the natural gas substation is near the end of its life and will need to be replaced, adding that also can't be done without the 1% increase. Councilmember Cook then stated the City is required to have more certified gas technicians, noting there is only 1 employee in the Gas Department now and the Council can be penalized for that, then asked Mr. Stephens what the fines could be. Mr. Stephens stated the ACC has the power to fine the City up to a maximum penalty of \$100,000 per day. Councilmember Cook then stated he has done research and found that since 2008, the City employees have only been given 1 cost of living adjustment (COLA), adding with inflation eroding away spendable income, the accumulative COLAs equal a 25% pay cut. Councilmember Cook then stated contrary to what people are saying, the City employees are paid lower than the average wages for their positions and on top of not receiving any COLAs, the Council enacted the furloughs which resulted in another 10% cut in employees' salaries, which means employees have really had a 35% pay decrease. Councilmember Cook then stated this 1% increase will not restore any COLA or give a COLA in the coming year, but it will eliminate furloughs, which also helps eliminate having certified qualified experienced employees leaving to work somewhere else. Councilmember Cook then stated much has been said about this tax driving away people who shop in Benson and that the Council is to imagine the City going bankrupt if the proposed 1% increases is approved, but the reality is that the State is balancing their budget by taking money away from every city, town and county in the State, adding wherever people go to save money, they'll end up paying more and dealing with this situation because every other city and town is dealing with the exact same problems.

Mayor King then stated he would like to thank the Citizens Advisory Group members Mark Fenn, Dan Barrera, David DiPeso, Jim Gray, Lupe Diaz, Kay Daggett, Teresa Bennett, Kim Lockhart and Mahlon McKenzie for their input and information they gave Council, adding the information wasn't taken lightly and maybe a citizens group is something the Council will put in place in the near future. Mayor King then stated this is something he's had to wrestle with for quite a while. Mayor King then stated the Council was not using senior citizens and the youth as shields, noting both groups are near and dear to his heart, but when the Council addressed what may have to be cut, those programs were things the Council had to look at, adding the Council has had to be very realistic throughout this entire process and without this increase, the Council would have to cut more programs and more services. Mayor King then stated there would be tough choices the Council would have to make in cutting amenities such as the library, the parks and the recreation programs, adding if more programs and services weren't cut, the Council wouldn't have enough money at the end of next year to run the City, then stated being on the Council is not an easy job. Mayor King stated people don't realize that a lot of departments are understaffed and as Ms. Daggett mentioned, a lot of employees wear more than 1 hat, adding these are things the Council has asked of employees and he is very passionate about getting the employees back to a 5-day workweek and the City amenities back for the citizens of Benson. Mayor King then stated when people visit the park on Friday, they can see that City employees have to line the fields on Thursdays and it's not the best field for the leagues to play on. Mayor King then stated the parks are full with over 400 kids playing baseball right now and he wants to keep the park, the pool and the skate parks open, adding it keeps kids off the streets. Mayor King then stated he also wanted to keep the senior meals and the Dial-a-Ride programs because they are very important for the community. Mayor King then stated the City has had to cut services this last year and in talking with teachers at the school, he has found that closing the library on Saturdays has affected students, adding they don't have computers at home and the library is where they can go to work on their reports and homework. Mayor King then stated he wants the library back to being open on Saturdays and with the 1% increase, it can be done. Mayor King then stated the City is down 5 Police Officers and the Council needs to bring the number of officers back up, adding it's not safe to only have 1 officer on the streets and it's time the Council get the Police Department the things they need to do their jobs. Mayor King then stated the Council has no stress compared to the stress employees have and what they

have to go through on a daily basis. Mayor King then stated officers put their lives on the line for the citizens and the open positions need to be filled, adding the City needs the funding to be able to do so. Mayor King then stated he believes the increase is the right thing to do at this time, adding his job as Mayor is to try and get the fire and police protection fully functioning, to get City services back, to get employees back to work and the City running the way it's supposed to be run. Mayor King stated the Council is going to have to make decisions after this on what they're going to do and what other Councils in the future may do is up to them, but right now, he is going to do what he thinks is right and this is where he stands.

Councilmember Cook stated for the past 3 or 4 months, he has been seeing a lot of Union Pacific employees and their company vehicles in the City, adding they are now moving out, but for the past 3 or 4 months they have been here, there has been an increase in sales tax collections. Councilmember Cook then stated it looked like the economy was getting better, and it was, but it was a phantom as far as being long-term, adding now that the Union Pacific project is over, the City will see sales tax revenues decrease.

Councilmember Lambert stated he didn't want to repeat what has already been said, but he wanted to talk about Staff. Councilmember Lambert then stated previous Finance Director Megan Moreno and the current Finance Director Dustin DeSpain put together a complete packet on the proposed increase and what will happen if it does and doesn't pass. Councilmember Lambert then stated the information has been shown over the last 4 weeks on Thursday evenings after office hours so the public could attend. Councilmember Lambert then stated he was at 3 of the 4 meetings and not counting Staff and their families and Councilmembers who attended, there were only 16 other people who came to the meetings, adding 2 of those people were from the citizens group Mayor King referred to. Councilmember Lambert then asked why more people didn't attend those meetings and asked Mr. Jakobek why any of the 450 people he talked to and signed the letter didn't attend any of those meetings. Councilmember Lambert then stated only 16 people were concerned and came to get information on the issue, adding a lot of those people had their eyes opened and learned what the City does and doesn't do and what employees are paid and not paid. Councilmember Lambert stated a lot of information was presented that people needed to know. Councilmember Lambert then stated Ms. Daggett and Mr. Gray were there and they had a lot of good questions, adding one of the subjects they discussed was the transit system. Councilmember Lambert then stated everyone says they always see empty buses going around town and that it's a waste of money, but what people don't understand is that the City has 3 buses; 2 on a fixed route and 1 for the Dial-a-Ride program that goes to people's homes in the community and takes them to the stores to shop and to doctor appointments and other appointments they have, adding customers pay for this service. Councilmember Lambert then stated the City has almost 1,200 people who ride that bus each month and by comparison, the City of Sierra Vista has a population of 35,000-45,000 and they barely get 2,400 people riding their bus, adding Benson has almost half that number utilizing this service in our small community. Councilmember Lambert then stated before everyone starts looking at cuts and who it's going to affect, they need to look at the long-term effects. Councilmember Lambert then stated if the Council doesn't pass an increase in sales taxes, the Council will have to look at possibly having to close the community center and the parks. Councilmember Lambert then stated one of the biggest impacts of closing the community center would be on the elderly because Catholic Community Services meets at the community center daily for the senior meals program. Councilmember Lambert then stated he did not want that program cut, adding one of the biggest things the Council can do in the community is to help the elderly and the youth of this area. Councilmember Lambert then stated closing the parks would also have a devastating effect on the community, adding Little League, soccer, football and baseball would all be gone. Councilmember Lambert then stated he's not saying he agrees with a 1% increase or even a .4% increase, but at this point, the Council has to make a decision. Councilmember Lambert then stated the Council takes everything that was given to them into consideration, adding people think the Council came up with an increase overnight, but that was not the case. Councilmember Lambert then stated surveys have been done, adding the library conducted a survey asking people if they would "support a 1% sales tax increase, 1 penny on every dollar to maintain the current City services? For example, for every \$10.00 spent, you would pay an extra dime," adding 82% of the people who responded said yes, they would support a 1% sales tax increase. Councilmember Lambert then stated the only question he had was where everyone was when all the information was being presented.

Councilmember Moncada stated everyone has touched on everything he had to say, but he did want the public to know the Council had a budget worksession on Saturday, adding the Council and Staff met for 8+ hours and

he wanted to commend everyone who came; however, there was only 1 citizen in attendance, noting 1 other citizen came, but left within a few minutes. Councilmember Moncada then stated if citizens would have come, he thinks they would realize that even though it's not the entire cause of the financial situation of the City, the City is the lowest level of government and is at the bottom of the hill, meaning the federal government continually dumps more regulations on cities and those regulations have to be serviced by an employee. Councilmember Moncada then stated if the City doesn't take care of those regulations, then there is trouble with the federal government whether the City takes money from the federal government or not. Councilmember Moncada then stated he has heard people say that the City Council needs to cut the City budget like the State did; however, the State didn't cut their budget, adding the State simply dumped more costs onto counties and cities, adding county governments are also above city governments, which leads to the counties dumping more costs onto the cities. Councilmember Moncada then noted the State has problems, the County has problems and the City has problems, but the City is the lowest form of government and the City doesn't have another government to pass things on to. Councilmember Moncada then stated if people had attended the budget meeting, they may have realized some of the things that are continually being pushed onto the City, adding one of those things is that cities can no longer collect their own sales tax or perform their own audits because the State took that power away from cities and towns. Councilmember Moncada then stated it may sound great that the State is now going to be the collector and audit taxes, but what isn't great is the cost of \$2.2 million, which is what the State is going to charge cities and towns for this service and the State is going to be too busy to perform audits, so they are going to certify companies that cities can hire to perform audits for an extra fee. Councilmember Moncada then stated the State is not only charging for the privilege of collecting and doing audits, they won't be performing any audits. Councilmember Moncada then stated counties are also being dumped on, so they are now looking at cities to pay for services the counties have provided in the past and all of these are extra costs to cities and towns. Councilmember Moncada stated one of the things he learned at the worksession on Saturday that he didn't know, even though he has been on Council for 4 years, is that all the electric bills for the lights on Hwy 80, Hwy 90 and 4th Street are paid for by the City, adding years ago, the State decided that municipalities would be responsible for any lights on state highways that run through municipalities. Councilmember Moncada then stated the City doesn't get any say in how many lights are put up or where they are put up, but the City does have to pay for the electricity bills for these lights. Councilmember Moncada stated the County is now looking at potentially charging the City for prisoners in the county jail, adding the City reached an agreement with the County a long time ago that they wouldn't charge the City for this if the County kept any City fines collected through the municipal court, but now the County is saying it's not enough and they want more money. Councilmember Moncada stated the County is also looking at trying to push sanitation services onto the City, adding these are all costs the City has to bear and he could go on and on. Councilmember Moncada then stated he sympathizes with the County, adding they are not in a much better position than the City is. Councilmember Moncada then stated this is not something any of the Councilmembers signed up for, adding not one Councilmember decided to run for Council because they wanted to raise taxes. Councilmember Moncada then stated he has been on the Council for a while and while the budget might be new to some of the public, he and the Council have watched the budget, adding he has had dreams and nightmares about the budget for the last 4 years and he doesn't read anything because he is reading City stuff all the time. Councilmember Moncada then stated when Megan Moreno was the Finance Director last year, he had many meetings with her and looked at and discussed the budget, adding they knew last year's budget was going to be bad. Councilmember Moncada then stated layoffs was an option, furloughs were an option and a sales tax increase was an option. Councilmember Moncada then stated even though he didn't like furloughs and he understands they were not popular with employees or the public, he thought it was appropriate that the Council look at cutting deeply before coming to the citizens with a sales tax increase. Councilmember Moncada then stated this isn't something that just came up in the last 60 days, adding he can't speak for the rest of the Council, but he has lived and breathed the budget, adding being a Councilmember is his second job. Councilmember Moncada then stated this hasn't been fun or fair, adding as many people know, he has family that work for the City of Benson and he furloughed them also. Councilmember Moncada then stated he didn't like the furloughs, but again, he felt it was appropriate to look at cutting, adding about \$500,000 was cut in personnel expenses through furloughs and attrition. Councilmember Moncada then stated attrition occurs when an employee leaves and is not replaced, but stated the work that employee did doesn't leave, which means someone else has to take on that responsibility, or yet again, the City gets in trouble with some federal or state agency because that job isn't getting done. Councilmember Moncada stated an example of this is the audit of the Gas Department, adding

Staff has done a really good job of keeping our gas audits almost perfect for the last few years, but this year the City will probably be found to not be in compliance and may have some major violations. Councilmember Moncada stated this is unacceptable and is something that may affect everyone's lives. Councilmember Moncada then stated he has heard that the City Council just needs to cut more employees, but that doesn't mean the work goes away, adding the Council can cut services and that will reduce work, but those cuts will be to services citizens will no longer get. Councilmember Moncada then stated there are certain services he expects the City to provide as a citizen, not as a Councilmember, but as a citizen. Councilmember Moncada then stated he is a youth coach, coaching baseball and football and those services are used by citizens all over the County, whether or not they are residents, adding those people pay sales tax, but don't pay property tax and don't use utility services, so when the Council looks at where to get revenue, the fairest way is to increase sales tax. Councilmember Moncada then stated sales tax is charged to everyone who not only visits, but also to people who don't live in the City limits but use City services. Councilmember Moncada then stated surprisingly enough, when he talks to those people who don't live in the City limits, they are most supportive of the proposed increase because they feel partially guilty that they don't pay property tax, but yet, they use City parks, the City pool, the City library and things like that which may have to be cut. Councilmember Moncada then stated the Council didn't say those things may be cut because they wanted to scare people, but that those are services that he is not legally obligated as a Councilmember to provide, stating the Council is only legally obligated to protect the citizens with Police, Fire and utilities.

Councilmember Lambert agreed that the Council lives and breathes the budget, adding since the Council went paperless, one of the only books the City provides Councilmembers with is the budget book and he has every budget from 2008 to the current budget. Councilmember Lambert then stated when the Council reviews the budget; he looks at previous budgets from the last 7 or 8 years and compares them to see what has changed, including personnel, expenses, utilities and other items such as the golf course and the transit system, which are amenities for the community. Councilmember Lambert then stated both the budgets and the City Code are very important. Councilmember Lambert then stated the advisory group took time out of their busy schedules to put together not only 8 pages of information, but a recommendation page on the back, adding the Council hasn't taken the recommendations lightly. Councilmember Lambert then stated each Councilmember went through and he highlighted the ones he is looking at, adding he agrees 100% with some of the recommendations and partially with others. Councilmember Lambert then stated the Council has to look at what is best for the City, what is best for the residents and what is best for the outlying community, adding they have to take those into consideration in any decision the Council makes. Councilmember Lambert then stated the Councilmembers are the legislators for the City of Benson and have to set the laws, adding Staff then has to interpret and enforce the laws, which are all 3 branches of the government.

Councilmember Konrad asked if it would be appropriate to have City Attorney Gary Cohen address the language repealing parts of the Code that may conflict with the ordinance. Mr. Cohen stated sections of the code that are being repealed because they would be inconsistent if Council were to adopt the proposed ordinance are all listed under section 1 of the ordinance, but the ordinance also included some broad language which read "this ordinance is intended to modify all applicable sections of the Benson City Code including" the listed provisions that would be repealed. Mr. Cohen then stated if a provision was missed and was not specifically listed, it would still be overruled or repealed by the use of the broad language included on the ordinance.

Councilmember Moncada moved to approve Ordinance 577. Seconded by Councilmember Lambert. Councilmember Konrad moved to amend the motion with a modification to section 4, that "the tax shall decrease 1% on August 1, 2016" instead of August, 1, 2022. Councilmember Moncada stated he did not want to amend his motion.

City Attorney Gary Cohen then stated the Council had a motion and second on the floor. Mayor King asked if there was any more discussion and after no further discussion, called for a vote. Motion passed 4-2 with Councilmembers Boyle and Konrad voting nay.

**DEPARTMENT REPORTS:** None

**ADJOURNMENT:**

Councilmember Lambert moved to adjourn at 8:21 p.m. Seconded by Councilmember Moncada. Motion passed 6-0.

ATTEST:

\_\_\_\_\_  
Toney D. King, Sr., Mayor

\_\_\_\_\_  
Vicki L. Vivian, CMC, City Clerk