

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD MAY 20, 2013, AT 7:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

City Clerk Vicki Vivian called the meeting to order at 7:05 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Councilmembers Ron Brooks, David Lambert, Chris Moncada and Al Sacco. Absent were: Toney D. King, Sr., Vice Mayor Lori McGoffin and Councilmember Nick Maldonado.

NEW BUSINESS:

1. Budget Worksession for the City of Benson, Fiscal Year 2013-2014; all revenues and expenditures of the City may be discussed

City Clerk Vicki Vivian stated the first order of business would be to appoint an Acting Mayor to preside over the meeting. Councilmember Moncada moved to appoint Councilmember Lambert as the Acting Mayor. Seconded by Councilmember Maldonado. Motion passed 4-0.

Finance Director Megan Moreno then reviewed the changes discussed by the Council at the May 15 Budget Worksession. This included adding \$100.00 to the Tourism employee uniform allowance due to the hiring of a new employee, and the following changes in the Police Department budget; an increase in personnel of \$90,794.71 to institute a step plan for officers and dispatchers, pushing back Capital Projects for patrol vehicles, an Animal Control truck and unmarked cars, moving the training equipment amount to the Grants Fund since it was determined this will be funded by a grant, if awarded, decreasing professional services to \$28,500, increasing education and training to \$10,000, increasing grant matches to \$10,000 and moving community sponsorships to the Administrative budget. Ms. Moreno then reviewed the remaining budget changes which included increasing the professional services to \$79,200 in the Fire Department to institute a stipend for daytime coverage, reducing education and training to \$8,000 and reducing turnout replacements to \$8,000. Adjustments to the Recreation budget was the request to add a second phone line to the community center, with Ms. Moreno stating after doing some research \$400 has been added to the budget for that purpose. Ms. Moreno stated other changes were in the Building Department budget, increasing personnel costs, by \$3,204.50 and decreasing professional services to \$1,500. Ms. Moreno then stated the Council had discussed removing a short-term goal for the Building Department to update the City Code, establishing Development Services, but after further discussion and in reviewing Council minutes, the item was only tabled and not terminated, so at this time, it remained in the budget as a goal for the department. Ms. Moreno then addressed the changes in the Planning Department budget which was to increase personnel \$2,487.61 to account for a salary increase, adding she had also found the Public Works review revenue was budgeted too low, noting the line item has now been increased to \$25,000.

Ms. Moreno then addressed Council stating the Council still needed to find \$30,000 in the budget for the step plan discussed at the previous worksession adding the Council would be hearing from another department tonight on personnel issues. Ms. Moreno then cautioned that even though personnel increases may have been worked into the budget, she would be hesitant to support those increases through eliminating or delaying Capital Projects, since those are one-time expenditures. Ms. Moreno then stated she felt Council also needed to take into account the morale of all City employees when Council would only be giving an increase to certain departments and not others. Ms. Moreno then stated she hesitates to think the increases are sustainable for more than this current budget year and next year, when it comes time to reevaluate whether or not to keep the step plan or these increases in place, there's a high risk that we will have to either eliminate it or take raises away.

Interim City Manager Jim Cox then addressed Council stating he wanted to amplify what Ms. Moreno said so well, adding he thinks every City employee deserves a raise, but on the other hand, he doesn't believe it's sustainable since we see a continuing revenue decline unless something else happens, and these changes are expenditure increases. Mr. Cox then stated as soon as we began to see a recessionary time approaching 5 years ago, our top priority was the protection of jobs, and for that reason, we have recommended no salary increase, adding each year, the situation is more critical and if it were left up to him, he would leave all salaries the same and feel good that we can sustain it for a few more years going forward. Mr. Cox then stated if these changes are approved, there may be some difficult decisions that must be made in the future budget sessions.

Library Director Peggy Scott then reviewed the Library budget stating there were very few changes. Ms. Scott stated the budget included upgrading the Wi-Fi service at the library to better serve all the rooms in the library and the addition of tables in the back room with power strips for customers and students who bring their own laptop in to use. Councilmember Brooks asked about the increase in personnel with Ms. Moreno stating with the combining of the 2 part-time Page positions to 1 full-time position, the increases were benefit-related. Ms. Scott then addressed Council concerning her proposed salary adjustments stating she has asked to have the salary grades adjusted 2 grades on each position in the Library Department and the reclassification of the Page position to a Library Assistant, adding this position is the new full-time position and the employee has increased responsibilities. Acting Mayor Lambert stated on a reclassification, the employee must go back and start at ground zero with a probationary period of 1 year. Council then discussed the proposed salary changes with the consensus being to approve the reclassification of the Library Page to a Library Assistant with a salary grade of 14 and to address the remaining personnel issues next year, if possible. Ms. Moreno then stated the change would increase in budget approximately \$4,200 with Council reducing the maintenance line item to \$1,000, reducing the IT line item to \$3,000, reducing computer supplies by \$300 and office supplies by \$300 to fund the increase.

Ms. Moreno then had Council review the Community Enrichment budget stating they had tabled the contribution to SAEDG and were to come back and revisit this entire budget since it had increased \$20,000 from the last fiscal year. Councilmember Brooks reminded Council they still needed to find \$30,000 for the Police Department's proposed step plan and salary adjustments. Ms. Moreno reminded Council of the addition of the Cowboy Poets' event line item in the amount of \$1,000 and the Relay for Life line item in the amount of \$1,500 noting the City promotions line item of \$15,000 would then be reduced to \$12,500. Ms. Moreno then noted the bed tax revenue was budgeted at \$60,000, noting the Community Enrichment budget uses the bed tax for the community and the expenditures definitely exceed the revenues. Council then discussed the Community Enrichment budget, leaving the SAEDG line item at \$2,000, reducing the Bluegrass line item to \$27,000 and reducing the City promotions line item to \$2,500, noting most events now have their own budgeted amount. Council then noted this would still leave the need to find \$15,000 for the Police Department personnel increases.

Public Works Director Brad Hamilton then addressed Enterprise Funds beginning with the Gas Fund stating the only change was increasing the telemeters, adding the new meters are very successful and with the installation of these meters in the Pomerene area, the meter reading will be much faster. Mr. Hamilton then reviewed the Water Fund stating again, there were very few changes. Mr. Hamilton then noted the new hookup and impact fee line items were reduced due to the slower growth and there was a slight increase in education and training. Mr. Hamilton then addressed the Wastewater Fund noting a large change in the budget was the elimination of the Whetstone Waste Disposal fees, adding with the ingenuity and work of the utility crews, the City now has a truck to haul the waste from the Whetstone treatment plant, adding this must be done until there is enough volume at the plant to process it there. Mr. Hamilton then briefly reviewed the Sanitation Fund stating the only change is the personnel section now includes the Finance Department's personnel cost to reflect the time spent on Sanitation issues and billing. Finance Director Megan Moreno noted the revenue line item has increased based an internal audit the Finance Department performed for sanitation services and noted in working with the sanitation provider to make sure the City was being billed correctly, the expenditure line item may even decrease.

Mr. Hamilton then moved to the Airport Fund stating the large increases are in the budget in anticipation of something happening with the UAS project, adding if nothing happens, the money won't be spent. Mr. Hamilton then addressed the Street (HURF) Fund stating the changes are the \$30,000 decrease in funding from the State and moving Paving Management to the Capital Projects Fund.

Mr. Hamilton then addressed the Transit Fund stating the proposed budget assumes the City will receive the same level of grant funding we now have, but we won't have that confirmed until the middle of June. Mr. Hamilton then noted the capital side of FTA funding had been pretty much wiped out. Council confirmed with Mr. Hamilton that if the funding is not received, he will come back to Council for them to address the transit services with Mr. Hamilton stating he definitely would as the transit system was very expensive to operate. Councilmember Brooks asked about working with SEAGO and an intermodal system with Mr. Hamilton stating the City works with SEAGO on the transit system. Interim City Manager Jim Cox then stated SEAGO is conducting a study to look at 1 administrative center for all bus service in Cochise County in order to reduce costs overall, adding the paperwork required for this funding is horrendous. Mr. Cox then stated the City doesn't know what our funding will be, but the transit system has been properly budgeted as if there won't be any changes, noting any changes will be funding-based and expenses would be decreased to reflect any decreases in funding.

Finance Director Megan Moreno then reviewed the Debt Service Fund stating we are estimating \$1.2 million left in bond proceeds, with the budget showing a transfer of those funds to the Capital Projects Fund and \$30,000 to the Water Fund and \$70,000 to the Gas Fund, adding these transfers correlate in the respective budgets. Ms. Moreno then noted the bonds proceeds to carry forward would be estimated at \$350,000 if we complete all the capital projects. Ms. Moreno then reviewed the Capital Projects Fund stating construction sales tax is the main source of revenue, and the budget reflects a decrease in construction sales tax, bond proceeds of \$750,000, a CDBG grant, hangar financing and anticipated grants. Acting Mayor Lambert then stated the Council had reviewed the capital projects at a previous budget worksession.

Ms. Moreno then reviewed the Impact Fee Fund stating there was a transfer to the Water Fund of \$20,000 and \$30,000 set aside for capital outlay reserve, noting if the revenue doesn't come in, the money won't be spent. Ms. Moreno then addressed the Grants Fund stating there are unclassified airport grants and unclassified grants, the WIFA grant and based on an earlier change, she will be adding in training equipment from the Police Department that will be funded with a Tohono O'odham grant, if it is awarded. Public Works Director Brad Hamilton stated the WIFA grant will commission the study and design for the SCADA system, adding right now the Water Department has to send an operator every day to every major tank and well-site to check the levels and make sure everything is fine, adding a SCADA system would change it to all coming in on the computer. Mr. Hamilton then noted the City would have to construct the system and the grant requires a match, but much of it can be in-kind with employee services.

Ms. Moreno then addressed the Fire Pension Fund stating the contribution from General Fund has slightly increased due to lower interest earnings, adding she is not anticipating additional payments in the coming year.

Acting Mayor Lambert then opened the floor for discussion, adding the Council still needed to find \$15,000 for additional Police Department personnel costs. Chief Moncada addressed Council proposing to remove \$10,000 in grant matches, reducing the building and maintenance line item by \$2,500 and reducing the professional services line item in the Police Department to make up the additional \$15,000.

Council then discussed the Administration budget salaries line item with Ms. Moreno stating the personnel item was arrived at with a new City Manager budgeted at \$105,000 and a janitor at \$21,460, adding though the position was vacant, employees were performing the janitorial duties and had hoped to hire a janitor. Mr. Cox addressed Council stating he is currently working on having the City utilize DOC workers to perform janitorial services, but they must have a certified supervisor, adding he is hoping to have the details worked out shortly.

Chief Moncada then stated he typically doesn't apply for grants that require a match, noting the only one that requires a match is the ACJC grant and if a match presents a hardship, we can negotiate with the Arizona Criminal Justice System to have it waived, adding the last time the City was awarded a grant from them in the amount of \$104,000, they waived the required match. Councilmember Moncada stated he is in favor of finding the necessary funding within the Police Department budget since the proposed increased is benefitting the Police Department. Chief Moncada agreed, stating he feels this is benefitting his department and it is his number 1 priority so he will do anything he can in cutting where he can to make sure the proposed adjustments are funded, adding next year, he will continue to do the same thing in next year's budget because he doesn't want other departments to pay for the proposed adjustments. Council then agreed with Chief Moncada's recommendations to remove \$10,000 in grant matches, reduce the building and maintenance line item by \$2,500 and reduce the professional services line item in the Police Department to make up the additional \$15,000.

Acting Mayor Lambert then opened up the floor for Council discussion, incoming Council discussion and Department Head comments. After no further discussion, Ms. Moreno addressed Council stating the Council had now successfully completed all budget worksessions and asked the Council to leave their budget books, adding all changes will be reprinted and she would like the Council to review all the changes as soon as possible since May 30 was the deadline to get the Tentative budget into newspaper. Ms. Moreno then stated she would like the Council to notify her of any changes or errors prior to June 3, when the Council would be approving the Tentative budget and she could review those changes at that time.

Acting Mayor Lambert then stated the Council would cancel the May 22 worksession as it was not needed.

ADJOURNMENT:

Councilmember Moncada moved to adjourn at 8:32 p.m. Seconded by Councilmember Brooks. Motion passed 4-0.

ATTEST:

Toney D. King, Sr., Mayor

Vicki L. Vivian, CMC, City Clerk