

**THE WORKSESSION  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD MAY 23, 2016 AT 5:15 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Mayor King called the meeting to order at 5:25 p.m. with the Pledge of Allegiance.

**ROLL CALL:**

Present were: Mayor Toney D. King, Sr., Vice Mayor Lori McGoffin, Councilmembers Pat Boyle, Jeff Cook, Joe Konrad, David Lambert and Chris Moncada.

**NEW BUSINESS:**

1. **Budget Worksession for the City of Benson, Fiscal Year 2016-2017; all revenues and expenditures of the City may be discussed**

Finance Director Dustin DeSpain stated the previous budget worksession on May 9 left off at the Library budget. Mr. DeSpain stated there was a decrease in personnel costs as the library personnel was restructured; then noted not much else had changed except the repairs and maintenance line, which included the cost to trim a large tree and would include the cost of using a lift to do so. Mayor King asked about replacing computers with Mr. DeSpain stating the library would try to keep up with replacing computers. Councilmember Boyle asked if the library budget included the 3% COLA the Council discussed at the last budget worksession with Mr. DeSpain confirming it did. Mayor King asked if the library would be hiring another part-time person in the future with Mr. DeSpain stating the budget included fully staffing the library. Mr. DeSpain then stated the library budget included an 8% increase for health insurance, which had currently been negotiated to 9%, but noted other insurance carriers came in 20% higher or more and the industry standard is about 12%.

Mr. DeSpain then moved to the Parks budget, stating the budget included a new line item to separate maintenance and repairs in vehicles and equipment instead of them being combined, noting this would make it easier to track equipment failure and how much it costs to make repairs. Mr. DeSpain then stated the gator is to be replaced in the current fiscal year. Mr. DeSpain then noted an increase for computer supplies, adding most of the City's computers are about 10 years old and departments are trying to catch up with replacements.

Mr. DeSpain then reviewed the Recreation budget, stating it had increased by \$26,000 due to payroll, health insurance increases and some operational supplies for advertising, noting printing costs have increased. Mr. DeSpain then stated the budget was pretty much the same, noting there were some costs with the Bingo program. Councilmember Cook asked if the payroll increase was the addition of an employee with Mr. DeSpain stating it was the additional seasonal aides, the 3% COLA and the insurance that resulted in the personnel increase. Mayor King then noted the current budget included a second employee, but the employee hadn't been employed for the full year with City Manager Bill Stephens stating the previous part-time person resigned and the position was left vacant for part of the year, adding the cost for a full year would appear as an increase, but there was no additional staff in the Recreation budget.

Mr. DeSpain then addressed the Building Department budget, stating a lot of the changes were based on using revenue from the proposed development by El Dorado so it's not spent in an inappropriate area. Mr. DeSpain then noted the professional fees are budgeted at \$40,000, but noted the budget included hiring a full-time Building Official in the mid-salary range. Mr. DeSpain then stated the increased costs are really based on the development taking off. Councilmember Boyle asked if the Building Official would only be

hired if needed with Mr. DeSpain confirming this, adding the hiring would be at the City Manager's discretion. City Manager Bill Stephens then stated the Building Official position was the position previously held by Luis Garcia, adding the City is currently spending money on that job, through a contract with Brown & Associates, who are serving in that capacity. Mr. Stephens then stated Staff is watching for a breakeven point in terms of how much is being spent vs. how much it would cost to hire a Building Official and when it reaches that point, the decision will be made to advertise and fill the position, adding it may not happen this year, but it has to be in the budget in case it does.

Mr. DeSpain then reviewed the Planning & Zoning budget stating the budget increased significantly in anticipation of the proposed development with fees for professional services increasing by \$20,000, adding this is a simple way for the Council to see where the potential income from the development will be spent, if needed; then stated if there is no income, it won't be spent. Councilmember Cook asked about the large increase in the wages and salaries line item with Mr. DeSpain stating the Building Official plays two roles, adding part of that salary is allocated in the Building budget and part is in the Planning & Zoning budget. Mr. Stephens stated in the past, there were two positions (the Building Official and the Planning & Zoning Director) which were merged by a previous Council. Mr. Stephens then stated Luis Garcia was hired for the combined position and noted the hard part of the position will be to find someone qualified in both Building and Planning & Zoning. Mr. Stephens then stated currently, the salary for this position comes from both the Building Department and the Planning & Zoning Department and has to be in the budget in case someone is hired. Councilmember Konrad asked where this position would spend more time or if it was split evenly between the two departments with Councilmember Moncada stating it would depend on the situation. Mr. Stephens stated Planning Technician/GIS Michelle Johnson may have some information. Ms. Johnson stated the majority of this person's time would be spent in the Building Department, but noted Mr. Garcia's time was unique due to a lawsuit the City was facing at that time, but again stated that in practice, the person in this position would spend 90% of their time in the Building Department, reviewing plans, permissions to issue permits, etc.

Mr. DeSpain then moved to the Public Works budget stating this was also a place to budget fees that would be funded by revenue from the proposed development, noting the significant increase in professional services, up from \$35,000 to \$100,000, which is anticipating a great need for professional services. Mayor King asked if the budget included another employee with Mr. DeSpain stating the vacant Engineering Aide was in the proposed budget, as well as an increase for education and training for compliance. Mayor King asked about updating computers with Mr. DeSpain stating the Public Works computers needed to be updated as well. Councilmember Cook asked what professional services were anticipated with Mr. DeSpain stating the income and expenditures for the proposed development would be a wash, adding the costs associated with the proposed development would include professional services for utilities, streets and other Public Works areas.

Mr. DeSpain then reviewed the Miscellaneous budget which contains the transfers between the departments, stating the transfers are from the General Fund to other departments. Mayor King asked if the airport contribution was from grants with Mr. DeSpain stating it was not; these were direct contributions to these other funds. Mr. DeSpain then stated the last line is the City's contingency reserves at \$1,711,000, adding the reserves will be at \$1.7 million in June and the new budget previously added only \$11,000 to the reserves, but with the proposed changes, the budgeted amount to add to the reserves is \$32,000 and the line item will be corrected to \$1,732,000.

Vice Mayor McGoffin asked about the golf course history, noting last year, the transfer to the golf course was \$91,000 and the year before that it was \$89,000, but was currently budgeted for \$174,000. Mr. DeSpain stated the golf course is considered an enterprise fund and is currently at a \$131,000 loss, which exceeded the \$92,000 budgeted for last year, adding the proposed budget with a transfer of \$174,000 is more realistic. Councilmember Moncada asked why the membership revenue was not in the budget with Mr. DeSpain stating the San Pedro passes revenue was moved to the green and cart fees line item. Councilmember Boyle spoke about the actual revenue generated by the golf course, the contribution from the general fund and how it was determined with Mr. DeSpain stating the Director of Golf projected

revenues in green fees, merchandise sales, practice facilities and teaching revenue, then after expenses are projected, the difference is a transfer from the general fund to balance that budget. Councilmember Moncada stated the projected revenues in green and cart fees was increased by \$141,000, adding if that revenue falls short, the contribution from the general fund could go from \$174,000 to \$228,000 or more. Councilmember Boyle stated he didn't see how the Council could possibly justify that number for such a small number of people in town who play golf, adding the Council has been doing this for years, to the tune of \$1.7 million and asked how to stop it. Mayor King stated the Council was supposed to have a worksession on the golf course. Councilmember Boyle asked if the Council decided at that worksession, to not fund the golf course, if that decision would be retroactive to tonight with Mr. DeSpain stating a change would have to be made before the Council approved the final budget. Mr. DeSpain then stated he has to advertise the tentative budget before June 4 and if the Council decides to hold a worksession on June 4, he would be working on the budget that weekend to change it for the publication. Mr. DeSpain then stated the Council could alter the tentative budget by decreasing it, but couldn't increase it. City Manager Bill Stephens stated just because something may be budgeted doesn't mean it has to be spent, adding if the Council voted to close the golf course, it would not be a violation of any kind. Mr. Stephens then stated the Council could approve the budget and then decide to close the golf course and just not expend those funds. City Attorney Gary Cohen stated the Council would need to vote on the golf course closing at an actual meeting; not a worksession. Mayor King asked if the general fund would have to be increased if that were the case with Mr. DeSpain stating any unexpended funds would automatically go back to the reserves unless the Council voted to move it somewhere else. Vice Mayor McGoffin stated the lease for the golf carts would have to be paid off with Mr. DeSpain stating there are 2 years left on the lease and it would cost around \$100,000 to terminate the lease. Councilmember Moncada stated it would be better than spending \$228,000 on the golf course. Vice Mayor McGoffin stated she disagreed that it's a small group of people who use the golf course including all the winter visitors. Councilmember Boyle asked where the revenues are if more people use the golf course.

Mr. Stephens then stated there's conflict in the numbers between the Golf Course Director and the Finance Director and he would like the opportunity to have a discussion with them so he can understand why there is such a discrepancy in the figures. Mr. Stephens then stated he would like to make sure what the Council is being presented reflects accurately what the situation is and what the options are. Mr. Stephens then stated the other part of this figure that is missing is what kind of economic impact the golf course has, adding he doesn't know how to measure that, because there are a number of businesses that would be impacted, noting some of them would probably go out of business because of the decreased RV traffic, again stating he didn't know how to measure that impact.

Mayor King stated that is why he wanted a worksession on the golf course, adding he spent a lot of time with Mr. DeSpain and Mr. DeVecchio, Director of Golf, and he knows the developers have made comments about the golf course. Mayor King then stated there is a lot of information that needs to be discussed and the Council needs to make a decision, but they also need to understand there are some risks in making those decisions at this time, such as parks and trails and the proposed development. Mayor King then stated he would like to have a public worksession so the public gets all the information, adding hopefully the worksession will be planned soon. Mayor King then stated there are a lot of things that need to be discussed, adding the Council needs to take a serious look at both the effects of keeping the golf course open and of shutting it down.

Councilmember Konrad spoke about a comfort level for the public, stating the Council can't spend money that isn't there, adding even if the Council approves the budget, it doesn't mean it will be spent, adding if funding doesn't come in, funding doesn't go out. Mayor King agreed. Councilmember Moncada stated he would question that, adding last year, the budgeted contribution to the golf course was \$91,000, but the golf course is currently at a loss of \$132,000. Councilmember Moncada then stated to say if the money isn't coming in, it won't be expended is not accurate because \$40,000 more has been spent on the golf course than what was budgeted and the fiscal year isn't over yet. Mr. Stephens stated funding can be moved within the budget, but the total budget can't be exceeded with Councilmember Moncada stating Councilmember Konrad said if the money isn't coming in, it won't be spent and that's not completely

accurate. Councilmember Moncada then stated each department should stick to their budget, adding he understands that emergencies come up, but as far as general options go, he's saying that if a department expects to use \$91,454 from the general fund, when they start approaching that number, the Council should start cutting drastically to make sure that department stays within their budget.

Councilmember Boyle stated the \$91,000 is already a loss to start with and is the budgeted contribution to make up for that loss with Mr. Stephens stating that was not accurate. Mr. Stephens then stated the total figure takes into account both the funding revenue and the expenditures, adding the bottom line figure is not total loss, but is a combination of revenue and expenditures. Councilmember Boyle stated money is still being used from the general fund to make up the deficit with Mr. Stephens stating that is done for everything. Councilmember Boyle stated the operations of the golf course have a deficit of \$91,000 that is currently budgeted in the general fund to make up for the overall deficit, adding that is a bone of contention for him.

Vice Mayor McGoffin stated the golf course may lose money, but so do the airport, the library and the pool and asked if the Council was just going to close everything that didn't make money. Councilmember Boyle stated at some point, the Council has to be responsive, adding there are 7,000 people living in the community and if out of the 7,000, 850 go golfing, then there is a big disparity of people who are supporting a cause that's not being used by everyone else. Vice Mayor McGoffin stated a lot less people use the airport and the City loses almost just as much on it, but it's an economic development engine and is what brings people to our community, adding sometimes the City has to lose money to get something. Vice Mayor McGoffin stated the City has lost a lot of money on the airport over the years and she doesn't think it's ever made money, but the City keeps it because it's an economic engine and no one is talking about shutting it down. Councilmember Boyle stated when the .5% sales tax runs out in the next budget, there will be about a \$250,000 loss that will have to be made up or the Council will be going back to the public with their hats in their hands and will be saying they will have to keep the .5% tax in place to keep the golf course open. Councilmember Boyle then stated the Council will have to cut somewhere and the golf course is the obvious place to do it, adding it almost balances out.

Mayor King asked how much the City loses with all the departments with Mr. DeSpain stating the City has a \$19 million budget, so he would say it's close to \$19 million, adding government is not in the business of making money. Mr. DeSpain then stated in fund accounting, the golf course falls under an enterprise fund, adding it's defined very definitely in GASB law as an enterprise fund. Mr. DeSpain then stated that doesn't mean there can't be contributions from the general fund, but it means it has to have a balanced budget and must show contributions from the general fund, if a contribution is needed to balance the budget. Mr. DeSpain then stated other services like the library, are general fund accounts, which mean they will not generate revenue and will be funded solely by tax dollars.

Councilmember Cook stated the library generates revenue from late fees and copies. Councilmember Cook then spoke about the golf course, stating the airport benefits far fewer people than the golf course does. Councilmember Cook then said he wanted to talk about the numbers brought up by the people who spoke about the golf course at a previous meeting, adding those people said the sales tax the golfers bring to the City is \$175,000 which is close to the contribution from the general fund, so the golf course is paying its own way. Councilmember Cook then stated people will question where those figures came from and stated that study was done several years ago, before the City started making improvements at the golf course and increasing playerships, by the ASU Morrison Institute, adding he has asked for a copy of that study. Councilmember Cook then stated the other part of those figures is because of the people who buy homes here because they like the area and they play golf here year-round, the RV people and the snowbirds that come here, adding many of them choose a location based on the proximity to a golf course. Councilmember Cook then stated the winter visitors stay 4 to 6 months and essentially spend money every day in our mom and pop businesses, noting those owners and employees then turn around and spend their money in Benson also. Councilmember Cook then stated it's not simply looking at the numbers and cutting \$174,000 from the budget and saying it would be better to close the golf course because that is not true.

Mayor King stated the Council would wait until they held a worksession on the golf course.

Mr. DeSpain then spoke about a new labor law that was passed and goes into effect the end of May, which requires any salaried and exempt employee meeting a certain threshold to be exempt and salaried or the employee must be changed to hourly and get comp time, which is time and a half. Mr. DeSpain then stated the golf course has 4 employees that fall under the threshold and the employees must be moved up or changed to hourly, adding after several discussions with Mr. DelVecchio, the suggestion is to change 3 employees to hourly and move Mr. DelVecchio's salary up to the threshold, which is \$47,530. Mr. DeSpain then stated the salary adjustment will be good for 3 years and then the threshold will be automatically adjusted to a new minimum salary. Mayor King asked if this change affected any other employees with Mr. DeSpain stating the golf course was the only affected department. Mr. Stephens then stated the law applies to everyone, but it only affects those 4 employees. Mr. DeSpain stated the City has 60 days to comply, which is July 1, adding there isn't much that can be done because it is a new federal law.

Councilmember Cook stated that amount wasn't in the personnel budget and asked where that change will be reflected with Mr. DeSpain stating he just got the final notification on complying with the new law. Councilmember Lambert stated the change would be about \$4,000 with Mr. DeSpain stating it would be closer to \$5,000 when it was all said and done. Councilmember Cook asked if there would be a way to not give that employee a COLA with Mr. DeSpain stating there was not and that the COLA would be in addition to the increase.

Councilmember Konrad spoke about the threshold originally being much higher with Mr. DeSpain stating the threshold was originally proposed at \$56,000, which would have affected more than those 4 employees. Councilmember Boyle then asked about the total amount for contracts and services of \$76,000 this year and the proposed budgeted amount of \$103,000 with Vice Mayor McGoffin stating the budgeted amount in the current year was \$112,000 but the actual amount spent so far this year was \$76,000, noting the proposed budgeted amount for the upcoming year was technically reduced by almost \$10,000.

Mr. DeSpain then spoke about the request for equipment under capital projects, stating it includes equipment that is getting older, but won't be purchased if it can be helped. Councilmember Konrad asked how critical the equipment was with Mr. Stephens stating if the equipment breaks, it would be critical, but the golf course is limping along now. Director of Golf Operations Joe DelVecchio addressed Council stating this is a wish list for equipment, but he's working on other ways to get things done, such as getting an estimate on a fertigation pump which would lower the chemical and fertilizer costs and would eliminate the need for water and electricity to run the chemical rig and the chemical rig itself. Councilmember Konrad asked if the current irrigation system could be used to inject the chemicals into the existing lines with Mr. DelVecchio stating the current outlet lines could be used. Mr. DelVecchio then stated the existing spray rig wouldn't be necessary but could still be used for smaller spots. Mr. DelVecchio then stated other municipal golf courses using this option have saved a lot of money in electricity to pump water and he's hoping to have an estimate soon, adding this change would drastically reduce a lot of expenses and bring the contribution from the general fund down to \$140,000. Councilmember Konrad stated as long as the golf course was operating, he appreciates all the efforts to bring costs down with Mr. DelVecchio stating he's trying to do that. Mr. DelVecchio then stated the golf course is the municipal course for this area, but there are 200 members not in this area that come to play, adding 70 members come from Canada. Mr. DelVecchio then stated in order to keep those and increase the number of people coming to the golf course, it needs to transition to a destination course, adding this would get people from Phoenix and more east. Mr. DelVecchio then stated he's trying to make the course attractive without spending a lot of money, which is a fine line.

Mayor King stated when the worksession is held about the golf course, Mr. DelVecchio is going to bring some ideas and things he is working on right now, adding the Council will then discuss those ideas, noting he didn't want the Council to get too far off-track from the budget.

Mr. DeSpain then addressed the golf course food and beverage budget, stating the projected revenues are a little less than last year. Councilmember Konrad asked about the professional services line item with Mr. DelVecchio stating when he first came to the golf course, the custom rugs were cleaned weekly and there are laundry services for the cook's protector gown and things like that. Mr. DelVecchio then stated he changed it so Staff does as much of that as they can, adding he has reduced and cut as much as he could.

Mr. DeSpain then moved to the enterprise funds, beginning with the gas fund, stating he budgeted for a rate increase as well as the "round up" revenue program, adding if the rate increases are approved, the City will have a program to help customers who can't afford the new rates. Mr. DeSpain then stated people can donate to the program by rounding up their utility payment to the next dollar and those funds would go into a separate fund that will only be used to assist with certain utilities. Councilmember Moncada asked if the City would be working with SEACAP (Southeastern Arizona Community Action Program) on that with Mr. DeSpain stating the City will work with SEACAP so a City board will not have to be set up to oversee the program. Mayor King asked if the City would be using other organizations with Mr. DeSpain stating the City would only use SEACAP to assist with City utility bills. Mr. DeSpain then stated if some of the budgeted projects are done, the gas fund will need to use \$75,000 in bond money, which is shown in the budget as a gas revenue source. Councilmember Moncada asked if the projects included new meters with Mr. DeSpain stating the projects included new meters and other things. Mayor King then asked where the gas department was at on new meters with Mr. DeSpain stating the meters in Pomerene and outside the City limits still need to be done, but they are close to being completed.

Council then discussed the training and number of employees needed to comply with the ACC requirements with Mr. DeSpain stating there is one vacancy still in utilities, but the position has been budgeted for and the Public Works Director, Brad Hamilton, would determine when that position would need to be filled. Mr. DeSpain then stated the utility employees are in training on Friday of each week and when they are trained and up to speed, Mr. Hamilton would examine staffing levels at that time. Mayor King asked if the amount budgeted for training was enough with Mr. Hamilton stating it was, as the amount for training and education is budgeted in each utility department.

Mr. DeSpain then addressed the capital improvements in the gas fund including truck replacement, telemeters and gas detection equipment, stating the meters and the gas detection equipment can be drawn from bond funds. Mr. DeSpain then stated the gas detection equipment is so old, the company that provides maintenance and makes sure it is in compliance no longer services that equipment and new equipment must be purchased. Councilmember Cook asked if a rate study on gas would be done and stated when the rates are adjusted and there is more revenue, that revenue could be used to pay for the capital improvements. Councilmember Moncada then stated the bond money can only be used for 3 more years and it would be better to spend the bond money and put any extra revenue into savings for that utility. Mr. DeSpain then stated whether or not the bond money is used, the bond payment remains the same, adding the calculated payment was based on all the bond proceeds being used. Councilmember Cook stated if the capital improvements were paid for by the revenue from increased rates in the gas department, the costs for the capital improvements would not be coming from any taxes collected or any potential funding that could be used to provide COLAs and merits to City employees. Councilmember Cook then stated if the Council could avoid using more bond funds, he was completely in favor of that, adding he's not necessarily in favor of spending all the bond money, just because the Council can. Mr. DeSpain stated he looks at using bond money vs. taking funding out of the contingency funds each year and has elected not to take money from the bond proceeds in the last year.

Mayor King stated a rate increase has been discussed for many years and is something the Council needs to address, adding if an emergency came up, the Council would have to use bond proceeds, but if the rates are adjusted, the utility would build funds up for those situations. Mr. DeSpain stated rate increases would build up the utility reserves, adding large capital expenses are anticipated in the future with Mayor King stating there is a lot of old pipe in the ground and some of that will hit the City very hard.

Councilmember Boyle asked what the downside was to not spending all the bond proceeds with Mr. DeSpain stating the bonds would be paid off sooner, but there is not a big difference in the interest the City pays, adding the City is charged for interest on all of the proceeds, since the City has access to all of it. Mr. DeSpain then stated the reason the City has kept the bond proceeds available and requested another 3 years to use them is that the proceeds have acted as a "reserve fund" the City can use in emergency situations.

Mr. DeSpain then moved to the water fund, stating he budgeted for a rate increase and again, the City has the Series 2010 bond proceeds to pay for capital improvements if needed, but noted just because things are in the budget doesn't mean the expenditures will be made. Councilmember Moncada asked about the \$15,000 budgeted for bad debt with Mr. DeSpain stating \$15,000 was an error, noting the City only wrote off \$30.00 in bad debt this year and he would make a correction to the budget. Mr. DeSpain then noted the possible capital improvements in the water fund which included repairs to the Sue Juan water system and a truck, adding a lot of the public works vehicles are very old

Mr. DeSpain then addressed the wastewater fund, stating a rate increase is included in the budget and again, the City has Series 2010 bond money if upgrades have to be made. Mr. DeSpain then stated the City is continually doing upgrades to the wastewater treatment plant because things were put off for several years due to the financial situation and now, certain things must be done such as the UV system, which isn't working properly. Mr. DeSpain then stated a new system will cost about \$200,000. Councilmember Boyle asked about the new barscreen at the treatment plant with Mr. DeSpain stating that repair was already paid for in the current fiscal year. Councilmember Moncada asked about the danger of being out of compliance with Mr. DeSpain stating Staff is very good about compensating with chlorine and other things, but the UV system has several major issues. Mr. DeSpain stated another expense will be software, noting the software that runs the plant is about 16 years old and is still running on Windows ME and to upgrade the old computer will require new software, which is about \$80,000. Mr. DeSpain then stated this is why it's important to talk about the rate increase, adding with a rate increase and the budgeted expenditures, he anticipates being able to put \$20,000 into a wastewater contingency fund and the improvements should last long enough to be able to build that contingency reserve back up for the wastewater fund.

Mr. DeSpain then moved to the sanitation fund stating the City contracts out sanitation services and he will be asking for a rate increase due to the County increasing rates, adding the County is having to catch up on their shortfall and the costs are being passed onto cities and towns. Mr. DeSpain then stated the new rates per ton from the County will be significant and the rate increase will be needed to keep up with what the City's new costs will be. Mr. DeSpain then stated with the rate increase and the current sanitation contract, about \$36,000 will be put into the sanitation contingency fund, which is a slight increase over the \$22,000 put into the contingency fund in the current year. Mayor King asked about cities taking over their own sanitation instead of using the County with City Manager Bill Stephens stating that subject was no longer being pursued by the County and added he would be meeting with the County on June 7 to discuss their potential increases.

Vice Mayor McGoffin asked when the sanitation contract was up for renewal with Mr. DeSpain stating the contract expires in November and the City will issue an RFP for sanitation services. Councilmember Cook asked about the City being able to start a recycling program and the City getting a credit from the sanitation provider for those things of value or the City selling those things, stating this would result in less waste going to the County and the City's costs being reduced. Public Works Director Brad Hamilton stated a recycling program has been considered in the past, but one problem is the capital outlay for recycling cans, adding those cost approximately \$125,000. Mr. DeSpain then stated recycling doesn't produce much revenue and the sanitation provider would charge the City to provide that service. Mr. DeSpain then stated another problem is the only recycling center he is aware of is in Tucson. Councilmember Moncada stated he didn't know if it would be worth spending \$125,000 to start a recycling program, but it may be worth it over the long haul if it reduced enough tonnage taken to the County, adding the tipping fees in the County are only going to go up in the future. Mr. DeSpain stated Staff did talk about recycling with the new development and will probably do it in the future, but \$125,000 capital outlay would be hard this year in trying to balance the budget.

Mayor King asked about increased costs with a sanitation services contract with Mr. DeSpain stating he cushioned this budget a bit to compensate for an increase, adding he anticipates a new contract will be more than the current contract, but he won't have any rates until an RFP is issued. Mayor King expressed concern over unknown rates with Mr. DeSpain stating he and Mr. Hamilton were comfortable with the proposed budget.

Mayor King then stated the meeting should stop at this point so the Council could have a break before starting the regular meeting.

**ADJOURNMENT:**

Vice Mayor McGoffin moved to adjourn the meeting at 6:46 p.m. Seconded by Councilmember Boyle. Motion passed 7-0.

ATTEST:

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Toney D. King, Sr., Mayor

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Vicki L. Vivian, CMC, City Clerk