

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD MAY 7, 2012, AT 7:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Acting Mayor McGoffin called the meeting to order at 7:01 p.m. with the pledge of allegiance.

ROLL CALL:

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

EXECUTIVE SESSION: Pursuant to A.R.S. §38-431.03 (A)(3) & (4), for discussion or consultation for legal advice with the attorney or attorneys of the public body regarding a potential investigation

Councilmember Brooks stated he felt the agenda did not given enough detail regarding the executive session. Councilmember Moncada moved to enter into Executive Session with the Acting Mayor and Council, City Manager, Chief of Police, City Attorney (via phone) and the City Clerk at 7:03 p.m. Seconded by Councilmember Maldonado. Motion passed 5-1 with Councilmember Brooks voting nay.

Council reconvened at 7:18 p.m.

NEW BUSINESS:

1. Budget Worksession for the City of Benson, Fiscal Year 2012-2013; all revenues and expenditures of the City may be discussed

Finance Director Jim Cox stated in prior years, the budget was prepared with all non-essential spending being trimmed from the budget before it was presented to Council, but this year, Department Heads presented all their projects with Mr. Cox acting as a scribe putting all the numbers together. Mr. Cox then stated the results of this change is Council has more work to do and the budget totals \$18.85 million. Mr. Cox then stated in this worksession, he would like to cover the Capital Improvement Plan, the General Fund revenues and Personnel, adding if the Council meets on Wednesday, the worksession will cover the items not completed tonight and the General Fund expenditures. Mr. Cox stated the goal is to have an approved budget prior to the beginning of the new fiscal year, which should be done with the budget worksession schedule. Mr. Cox then stated the proposed budget reflects no decrease in services and no personnel cost reductions. Mr. Cox then stated as a reminder, a budgeted line item means the City may spend up to the approved amount and not necessarily that it will be spent, adding it is very important to operate the City with the budget being used as a guide and added all expenditures are reviewed very carefully before the funds are spent. Mr. Cox then stated the personnel costs shown in the budget at this time have no cost of living increase and vacant positions are budgeted only if there are current plans to fill the position, adding the personnel budget is realistic. Mr. Cox then stated as a result of the change in preparing the budget, the left over contingency is very modest, adding in the General Fund, the contingency is \$59,680, compared to contingency last year of over \$733,000.

Mr. Cox then reviewed the Capital Improvement Plan (CIP) stating Fiscal Year 2012-2013 has \$2.75 million in capital expenditures and then identified revenue sources such as \$171,000 from the General Fund, \$765,000 from the Series 2010 Bonds, which has a balance in savings of about \$2 million, \$1,320,000 in anticipated scheduled grants, construction sales tax, an allocation from impact fees, enterprise funds and other grants. Mr. Cox then stated the budget includes approximately \$4 million in potential grants, but for specific identified capital improvement project grants, the amount is approximately \$60,000.

Mr. Cox then addressed the General Fund CIP stating projects listed are disbursed throughout the budget as individual line items, but the expenditures have been summarized in one place, with the project being identified and sources of funding being shown. Council then discussed the audio and video equipment for the Council chambers with the consensus being to leave the funding in the budget, in case the Council decides to move forward with the projects. Council then addressed the General Fund CIP. After asking questions of various Department Heads, changes in the General Fund CIP included reducing the Police Department 4-wheel drive pickup and ATV line item to \$30,000, removing the Police K9 in the amount of \$16,000 and adding a Park Master Plan Update in the amount of \$20,000. Mr. Cox then stated capital improvement projects would move forward strictly based on the availability of funds with almost all expenditures coming to the Council since they are high dollar amounts.

Mr. Cox then addressed Personnel stating the total budgeted personnel costs includes all benefits and is up \$295,000 which is a 5.6% increase and includes the addition of 4.78 full-time equivalent (FTE) employees, giving the City a total of 105.5 FTE employees, which is an increase of 4.7% in the City's employee base. Mr. Cox then stated the benefit costs for employees could increase by as much as \$15.00 per month for employees with family coverage, adding employees with single coverage wouldn't be affected because the City absorbs that cost. Mr. Cox then stated this is based on a preliminary bid received from Healthnet which would cost the City about \$36,000 more per year, adding our consultant is going out and negotiating with several different companies as well as going back to Healthnet and we should have those figures soon. Mr. Cox then stated personnel costs are shown at current wages and should Council consider any cost of living adjustment, they can estimate each percentage increase would result in a \$45,000 annual cost to the City. Mr. Cox then stated the budget currently includes no merit raises or cost of living increases, but on the positive side, it also reflects no salary reductions, layoffs, furloughs or drastic changes in benefits. Mr. Cox then stated it is important to note different plans for health insurance, such as PPOs and HMOs will be looked at, adding the goal is to give the employees a choice without getting too expensive. Mr. Cox then reviewed the suggested personnel changes for Council consideration which included a .4 FTE transit manager move from the Finance Department to Public Works, adding this responsibility has been transferred to the Engineering Aide, resulting in a net increase of .87 FTE in the Finance Department which is a temporary increase in the amount of \$35,000, adding this was the transition in management discussed in a prior Council meeting. Mr. Cox then stated in the Fire Department personnel reflects a request of 3 FTE employees which are 2 firefighters and an executive assistant totaling \$173,000 and Administration reflects a request to move the executive assistant to the Fire Department, the addition of a custodian with no net change in FTE employees, but a decrease in total salaries of \$18,000. Council discussion then focused on a cost of living adjustment with Mr. Cox stating the last cost of living increase was 2.5% and was given on July 1, 2008 when the economy was much better. Council then agreed employees deserved a cost of living adjustment and they would like to include at least a 3% adjustment, asking Mr. Cox to project the costs of a 3%, 4% and 5% increase for consideration at the next budget worksession, excluding those employees on probation since those employees receive a 5% increase upon completion of their probation.

Mr. Cox then continued stating the Recreation Department has been separated from the current Parks and Recreation Department, adding the Parks Department is now just capital construction and grounds maintenance and the Recreation Department consists of a series of programs. Mr. Cox stated this split resulted in the move of 2.67 FTE to the Recreation Department, adding the current Recreation Assistant would be promoted to the Recreation Coordinator, with a salary grade increase from 14 to 32 resulting in an increase of \$6,400 per year. Mr. Cox then stated another consideration in Recreation is to add .5 FTE Recreation Assistant/Tourism Clerk, stating there is a need for part-time assistance in both departments and whether the employee is 1 full-time person or 2 part-time people would be up to Council and management. Mr. Cox stated the cost of this .5 FTE is \$15,400 and then stated the Tourism Clerk grade has also been raised from a salary grade of 8 to 12 and carries with it a \$2,000 cost. City Manager Glenn Nichols then addressed Council stating the budget is attempting to give the Recreation and Tourism Departments up to a 25-hour person in each department, adding the Tourism Department is open 6 days a week and the Recreation Department consists of only 1 employee. Recreation Assistant Laura Parkin then addressed Council stating the Recreation and Tourism Departments are very different and expressed it may be better to have 2 separate part-time employees. Mr. Cox then stated historically, the Tourism Department has

always had a part-time employee, but the position has been vacant for 3 years then added having 2 part-time employees instead of splitting a full-time employee between these departments would also save on benefits costs. Mr. Nichols then addressed Council stating another proposed change was to move the City Clerk to the supervisor grade of 50, at a cost of \$2,500.

Public Works Director Brad Hamilton then addressed Public Works personnel changes which included a decrease of .45 FTE due to the transfer of the transit responsibilities and an increase in Transit of .3 FTE for another back up driver. Mr. Hamilton then stated in utilities, the last time Public Works hired was in 2008 and the proposed budget includes 1 new utility worker in the Water Department to be added mid-year if the funding is available. Mr. Hamilton then stated the other proposed change is a superintendent in case things like the UAS site or the solar project move forward and require more of his time.

Mr. Cox then addressed the golf course personnel changes which included a decrease of .75 FTE in food and beverage and promoting the Interim Superintendent to the Superintendent for a total of \$2,600, adding there is an overall decrease of \$10,000 in the budget for the golf course, due to the fact that the Interim Superintendent made considerably less than the former Superintendent.

Councilmember Maldonado then stated the HR Analyst I handles more responsibilities and he believes the salary grade should be adjusted to reflect such. Mr. Nichols then stated he would review the position and bring a suggestion to Council at the next budget worksession.

Mr. Cox then moved to revenues stating not much can be done to change revenues. Review of the revenues included the Gas Fund being budgeted slightly high since each year we are subject to changes in the natural gas market, adding the City hasn't locked in prices for 2 years, due to being in a decreasing price environment. Mr. Cox then stated the budget projects higher golf course revenues and \$4.2 million in unplanned grants, as noted earlier. Mr. Nichols then stated past revenue for the Recreation Department should include \$2,000 in pool fees, \$3,500 in summer program fees, \$3,000 in park user fees, \$5,000 in donations and \$2,000 in community center rental revenue. Discussion then focused on City rental income with Mr. Cox stating the City has various leases, such as cell tower leases and airport hangar leases and Mr. Nichols stating the City also has a property lease with the Benson Unified School for the Charter School location, but added the School will not be renewing that lease and Council may want to consider the use for that portion of the building. Councilmember Moncada noted the Police Department revenue for the School Resource Officer would not be collected with Chief of Police Paul Moncada stating the revenue should be designated as GIITEM revenue. Council then reviewed the remaining revenues.

Mr. Cox then stated the next portion of the budget was the General Fund expenses and asked if the Council would like to continue or begin with that portion on May 9, with the Council agreeing to continue the worksession. Mr. Cox then stated the first department would be the City Council. City Clerk Vicki Vivian then reviewed the City Council budget with changes including an increased amount for travel which reflects the actual expenses, the addition of \$500 for Council and management portraits to be used for the website and other publications when needed, and the proposed Title 9 book purchases for Councilmembers. Discussion on the Title 9 books resulted in a change to budget 2.5 books with a revenue line for .5 books, keeping 2 books for the Council to check out when they need and for Councilmember Brooks to pay for 1/2 of a book, allowing him to keep his own Title 9 book. City Manager Glenn Nichols then addressed the City Council capital projects of \$12,000 for audio equipment and \$15,000 for video equipment, adding he had someone come in and make adjustments in the audio equipment, which is working quite well. Mr. Nichols then stated there are still some additional changes that could be made, such as new microphones, a new mixer and some other equipment that would allow the microphones to go dead when they are not in use, adding an estimate for this was approximately \$9,000. Mr. Nichols then stated he is continuing to work with IT to try and come up with a system that would allow us to tape and upload meetings, allowing people to look at what they want, when they want, but is not cost prohibitive. Mr. Nichols then stated live streaming doesn't seem to be something we are capable of right now, but he is going to be talking to Cox Communications to look at available options. Discussion then focused on a Youth Council with City Clerk Vicki Vivian stating the City worked with the Benson School to jointly send students to participate in a Junior State of America (JSA) conference, adding JSA is an advocate for democracy, believing democracy

is preserved by practicing and promoting democracy. Ms. Vivian stated she had talked to Dr. Sorenson of the Benson School regarding the formation of a Benson chapter of JSA, adding this would eliminate a duplication of efforts between the City and Benson School. Ms. Vivian then stated \$1,500 for the Youth Council would pay for Chapter fees, shirts for the Youth Council and should be enough to send them to the next JSA conference, adding the Youth Council could then attend the League Conference in August, 2013. Councilmember David Lambert stated the formation of a Youth Council was in the current budget in the amount of \$3,500 but had been pushed back in the last fiscal year, adding he felt it should be pursued in the upcoming fiscal year and should be budgeted in the amount of \$3,000 to cover both the JSA conference and League conference with the Council agreeing and instructing the Youth Council line item be moved to the City Council budget.

City Manager Glenn Nichols then addressed the Administration budget reviewing proposed changes including the addition of a full-time custodian, adding the City employees have been performing the custodian duties for the last 4 years, and the vacancy of the executive assistant, stating the current executive assistant would be moving to the Fire Department as an assistant. Mr. Nichols then reviewed other changes including the addition of Intergovernmental Relations for \$10,000 to be utilized for Mayor/Manager luncheons, special meetings, and support of other governmental agencies after Council or management approval. Other changes Mr. Nichols reviewed included the addition of HR Advertising for job announcements and other HR related advertising and stated a request will be put out for IT services.

Mr. Nichols then stated he would like to propose moving the Community Center budget to the Recreation Department with the Council agreeing. Mr. Nichols then noted the capital improvement project in the amount of \$17,000 for new ADA compliant doors, stating the existing doors have been nothing but trouble and many times won't latch or close and Mr. Hamilton has obtained bids from 3 or 4 different companies which were all comparable at approximately \$17,000.

Mr. Nichols then reviewed the Community Enrichment budget and stated he had received written requests for funding to be considered from most groups the Council sponsors such as the Butterfield Rodeo. Discussion on the Community Enrichment budget resulted in changing the Cancer Awareness Trek line item to \$5,000 since most donations are passed through the American Cancer Society, putting in \$750 in the City/School Joint Cooperative Activities and an increase in the Economic Development line item to \$5,000 for projects the EDSC or City may work on to help local businesses. Mr. Nichols then stated the Chamber of Commerce was to bring a revised budget request, but he had not received it at this time. Council then discussed the line item entitled "Tourism" for events in the Community Enrichment budget in the amount of \$52,000, which was the projected bed tax collection for the current fiscal year. Council decided to change the name of this line item to "City Promotions" and to move the Miscellaneous Enrichment Projects into the City Promotions, resulting in a budgeted amount of \$54,000.

Acting Mayor McGoffin then stated the Council should stop the worksession at this point with the Council agreeing.

ADJOURNMENT:

Councilmember Brooks moved to adjourn at 9:09 p.m. Seconded by Councilmember Maldonado. Motion passed 6-0.

Lori McGoffin, Acting Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk