

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD JUNE 10, 2019 AT 7:00 P.M.
AT THE BENSON COMMUNITY CENTER, 705 W. UNION STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 7:00 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Joe Konrad, Councilmembers Pat Boyle, Lupe Diaz, Nick Maldonado and Barbara Nunn. Absent was: Councilmember Larry Dempster, whom was excused by the Mayor.

PROCLAMATION: None

CITY MANAGER REPORT:

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

- Tuesday, June 11, 2019 – Planning & Zoning Worksession, 7:00 p.m., Community Center
- Monday, June 13, 2019 – City Council Special Meeting, 7:00 p.m., Community Center
- Monday, June 24, 2019 – City Council Regular Meeting, 7:00 p.m., Community Center

- June – Benson Public Library presents “Libraries Rock” a Free summer reading program on Thursdays in June from 10:30 a.m.-11:30 a.m. offering activities, crafts, prizes, books and special guests and entertainment. All ages are welcome and must be accompanied by an adult. The dates for this program are Thursday, June 13, Thursday, June 20 and Thursday, June 27. Please see the City’s website for more details.

- City Pool
Come out and enjoy “Friday Evenings at the Pool”

Friday, June 14 – Family Night at the Pool, 6:00 p.m.-9:00 p.m., neon theme night with glow sticks, glow necklaces and glow bracelets. Raffle prizes and music!

Friday, June 21 – Game night at the Pool, 6:00 p.m.-9:00 p.m., games, raffle prizes and music!

Saturday, June 22 – Dive in Movie “Ralph Breaks the Internet (PG) Gates open: 7:00 p.m. Movie Starts: 7:30 p.m.
Capacity: 100

Information on these events, swim lessons, active adult swim hours and the pool activity schedule is available at www.cityofbenison.com

- June/July – Summer Recreation Programs – The Recreation Department offers many activities such as:
 - Let’s Cook Camp
 - Kartchner Caverns State Park
 - Karate Camp
 - Tennis Camp
 - Baseball Camp
 - Soccer Camp

- Volleyball Camp
- Dance & Cheer Camp
- Wrestling Camp
- Arts & Crafts
- Gymnastics Camp
- Archery Camp
- Self-Defense Camp

More activities and programs are in place. Information on activities and camps are available at www.cityofbenson.com under “Summer Programs”

NEW BUSINESS:

1. Discussion and possible action on the Consent Agenda

- 1a. Approval of the Resignation of Ina Jones from the Benson Library Advisory Board
- 1b. Appointment of Tom Goode to the Benson Library Advisory Board
- 1c. License Agreement between the Friends of the Benson Library and the City of Benson, Arizona, for the use of Property located at 197 E. 7th Street, Benson, Arizona
- 1d. Invoices processed for the period from May 16, 2019 through May 29, 2019

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

2. Discussion and possible action regarding an Employee Benefit Advocate Service Application and Agreement with ESG (Employee Solutions Group) Corporation for Insurance Brokerage and Administration of Employee Insurance Related Benefits

City Manager Vicki Vivian stated ESG administers broker services to identify and negotiate carrier contracts, the Health Reimbursement Account (HRA) claims, the Flexible Spending Account (FSA), the Health Savings Account (HSA) and the COBRA (Consolidated Omnibus Budget Reconciliation Act) notices, in addition to providing employee advice and counsel. Ms. Vivian also stated Human Resources (HR) and ESG work together to provide benefit information to the employees and HR is satisfied with the services and communication received from ESG and asks for their contract to be extended. Ms. Vivian then stated ESG is offering the contract at the current price of \$2,900 per month, which reflects the eighth year without a proposed increase, adding if the contract is approved, the City Manager will be authorized to execute all documents necessary to accept the agreement.

Human Resources Coordinator Lori McGoffin stated the management decision this year is to allowing part-time employees who work more than 20 hours will be able to participate in the volunteer benefits, noting the employee pays 100% so it will not cost the City anything for them to enroll. Ms. McGoffin then stated these benefits include dental, vision, life insurance, AFLAC and Legal Shield. Ms. McGoffin also stated she would like to give ESG some recognition as our health insurance would have increased 7.5%, but they negotiated it down to 1.83%.

There was no Council discussion.

Councilmember Boyle moved to approve the Employee Advocate Service Application and Agreement. Seconded by Councilmember Diaz. Motion passed 6-0.

3. Discussion and possible action regarding a Health Insurance contract with Blue Cross Blue Shield for the Employee Benefits for Fiscal Year 2019-2020, and authorization for the City Manager to sign the Health Insurance Contract

City Manager Vicki Vivian stated this item is requesting approval of Blue Cross Blue Shield (BCBS) contract to provide our employee health insurance and to give authorization for the City Manager to sign the contract. Ms. Vivian then stated ESG (Employee Solutions Group) worked to get the City the best renewal rate it could with BCBS and in doing so, negotiated a 1.83% increase Ms. McGoffin mentioned. Ms. Vivian then stated Staff

feels confident that through continuing coverage with BCBS, the City can continue to offer the same level of health insurance coverage without substantial increases in premiums, adding with BCBS the City will offer a PPO (Preferred Provider Organization) and a Health Savings Account (HSA) plan option.

Employee Solutions Group representative, Al Thunberg addressed Council stating he would like to give the Council some highlights; then stated through the use of the Health Reimbursement Strategy in 2009 they have been able to keep the renewal rates in the single digits and the strategy gives their company a great deal of leverage to negotiate with Blue Cross. Mr. Thunberg then stated people were concerned with the risk of the program, but as shown, it has benefited the City, adding they were able to use the history of claims to negotiate the proposed 7.5% increase down. Mr. Thunberg then stated this is a great tribute to the management of the City of Benson and them implementing the strategy and working with the employees to understand how the programs work both for the employee and the City. Mr. Thunberg then stated the maximum amount a City employee would pay is \$1,400 on a large claim. Mr. Thunberg then stated he would be happy to discuss more details if there were any more questions.

Vice Mayor Konrad stated he would like to put this in perspective, noting during his day job he is on a negotiating committee for the union contract and they also contract with Blue Cross Blue Shield, adding the Tucson local union has 1,000 members and the last negotiation was at 6%. Vice Mayor Konrad then stated that is just Tucson and the home base out of Texas has thousands of people in their plan. Vice Mayor Konrad then stated there about 100 people at the City with Mr. Thunberg stating about 70 employees are in the plan; then noted the law of numbers says that larger groups should equal lower costs, so for a group of this size, a 1.83% is a great accomplishment. Vice Mayor Konrad then stated keeping good quality health care sells itself and compounds itself when you get into an economy where it's a little tougher, so you want to offer good solid benefits; then added these are a nice comprehensive offering.

Mayor King stated he appreciates the negotiations and the hard work put into the benefits, adding there are a lot of things that play into that.

Councilmember Diaz asked if the PPO and the HSA were additional services ESG was able to provide this year with Mr. Thunberg stating these are the same benefits as prior years, adding there was no adjustment and the costs for these remain the same. Mr. Thunberg then stated they offer a one turnkey solution, so that gives employees a nice clean route to solve problems with state-of-the-art technology.

City Manager Vicki Vivian stated she would like to add that the PPO and the HSA are the two types of health insurance packages the City offers, noting they were implemented after HMOs were no longer an option.

Councilmember Diaz asked if employees can customize their health insurance plans with Mr. Thunberg stating they have two options they can choose from. Councilmember Diaz then asked what the employees' costs were with Mr. Thunberg stating the City pays the cost for the employee, so the only contribution would be if the employee has dependents. Mr. Thunberg then stated ESG will be sitting down with each employee to explain the benefits and assist them in making the proper choices.

Vice Mayor Konrad moved to approve the Health Insurance Contract with Blue Cross Blue Shield. Seconded by Mayor King. Motion passed 6-0.

4. **Discussion and possible action regarding Ordinance 599 of the Mayor and Council of the City of Benson, Arizona adopting an Application and Affidavit for a Uniform Video Service License and a Uniform Video Service License Agreement, as required pursuant to title 9, Chapter 13 of Arizona Revised Statutes**

City Manager Vicki Vivian stated Arizona Senate Bill 1140, passed into law in 2018, declared Video Service Provider licensing a matter of statewide concern and allows existing cable operators to opt out of their current license agreement and into a new Uniform Video Service License beginning January 1, 2020. Ms. Vivian then stated the law also mandated local authorities to adopt uniform license forms for Video Service Providers by July 1, 2019. Ms. Vivian then stated the League of Arizona Cities and Towns worked with industry stakeholders

to create the Application and License Agreement prescribed by state law and while licensing procedures will be uniform across the state, managing right-of-way activities and revenues associated with this use remains with each City through its individual code provisions.

Ms. Vivian then stated the proposed Uniform Video Service License and Application authorizes the licensee to provide video services in the licensed area and permits the licensee to use the right-of-way to operate and maintain video service facilities, adding the license requires the licensee to comply with federal, state and local laws governing video service and allows the license to be revoked if the licensee fails to provide service in the licensed area. Ms. Vivian then stated the license also requires the licensee to pay a license fee of 5% of gross revenue; the limits of federal law, however, the assessment of a separate license application fee is now prohibited.

There was no Council discussion.

Vice Mayor Konrad moved to approve Ordinance 599. Seconded by Councilmember Maldonado. Motion passed 6-0.

5. **Discussion during and/or after presentation by City staff of City Finances, with emphasis on March 31, 2019 financial results, current year budget process, and the City's financial position at March 31st , 2019**

Finance Director Seth Judd stated the budget is done and there will be a meeting on Thursday, June 13, 2019 to hold a Public Hearing and take action on the Final budget. Mr. Judd then stated he will be comparing FY18 and FY19 (Fiscal Year), adding as of March 31, 2019, 75% of the fiscal year has passed. Mr. Judd then stated for the month of March, the City brought in \$1,352,654, which is an increase over last year of \$46,365. Mr. Judd then stated year-to-date, the City brought in \$9,252,611, which is an increase of \$759,424. Mr. Judd then stated as of March, the City reached 100% of the budgeted gas fund revenue, adding the cold winter was beneficial to the City. Mr. Judd then stated expenses for the month of March were \$1,164,697, which is a decrease from last year of \$162,862. Mr. Judd then stated the Citywide net position for the month of March is \$187,957 which is an increase of \$209,227, adding year-to-date, the City is at \$1,476,668, which is an increase of \$434,260. Mr. Judd then stated some elements of the increase is that sales tax numbers, which have increased over last year by \$186,206, and building permit fees look better, noting these are signs of an improving economy; then stated the City also received the CDBG (Community Development Block Grant) grant funds to pay for the new concession stand at Lions Park.

There was no Council discussion.

CALL TO THE PUBLIC: None

DEPARTMENT REPORTS: None

ADJOURNMENT:

Councilmember Nunn moved to adjourn at 7:25 p.m. Seconded by Vice Mayor Konrad. Motion passed 6-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk