

**THE SPECIAL MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD JUNE 5, 2017 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 7:08 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Councilmembers Pat Boyle, Levi Garner and David Lambert. Absent were: Vice Mayor Joe Konrad, Councilmembers Crystal Lewie and Lori McGoffin.

Mayor King stated Councilmember Lewie was unavailable due to family emergency.

PUBLIC HEARING: The Mayor and Council will be available to receive comments from the public regarding the use of approximately \$215,000 in Fiscal Year 2017 Federal Community Development Block Grant (CDBG) funds from the Arizona Department of Housing Regional Account (RA).

Mayor King opened the public hearing at 7:11 p.m. and welcomed the public to the second Fiscal Year 2017 Community Development Block Grant Public Hearing stating the first public hearing was held on April 10, 2017. Mayor King then stated the public hearings are held to gather citizen input on the use of Community Development Block Grant (CDBG) funds and the Fiscal Year 2017 CDBG application. Mayor King then stated some of the projects done in the past with CDBG funds included water, sewer and gas system improvements, the City library expansion and large print books for the City library, street improvements including paving, curbs and sidewalks, a senior (now a community) center, a drainage study and installation of ADA compliant restrooms at Lions Park. Mayor King then stated there are certain types of projects that are eligible for CDBG funds and emphasized that the projects must principally benefit low and moderate-income persons, adding some of the eligible projects include water, sewer and gas system improvements, road/Street improvements, flood and draining improvements and public housing rehabilitation. Mayor King then stated a more comprehensive list of eligible projects could be obtained from the City Clerk, Vicki Vivian, at City Hall during business hours.

Stephen Insalaco, W. Pinto Place, J6, stated he was not sure what the grant funds could be allocated to, so he looked it up on internet with Wikipedia, which reads the funds could be used for public infrastructure, housing, administration and planning, public services, economic development, public property acquisition and other items. Mr. Insalaco then stated roads sound like public infrastructure, so he was not sure why these funds couldn't be used to pave Aviation Drive. Mr. Insalaco spoke about the condition of Aviation Drive having a detrimental impact on several perspective airport tenants and that the roadway improvements would help make the airport self-sustaining. Mr. Insalaco then spoke about Benson's improved but still struggling economy and about Willcox's more severe struggling economy, noting many of the Willcox residents now shop in Benson or Safford, not only due to high prices, but to the loss of businesses. Mr. Insalaco then spoke about keeping Benson from becoming the next the Willcox and how Benson needs to be the place people want to go for their shopping. Mr. Insalaco stated the community needs a Walgreens, a Home Depot, a Costco, real Italian restaurant, a sea food restaurant, a movie theatre and possibly a mall, in addition to needing someone to open the former Gracie's Station and the Cochise Benson Center expanding. Mr. Insalaco asked the Council to not let the Villages at Vigneto be the only economic development plan, adding the Council can't keep solving financial woes by raising taxes and utility rates. Mr. Insalaco then stated some of these grant funds can be used to reach out and invite developers and business owners to Benson to set up shop and bring some new revenue to Benson and asked the Council to consider doing so.

Jeff Cook, N. Huachuca, Benson, stated he hadn't thought of mentioning Aviation Drive, but he recalls a contract being approved to resurface several miles of it. Mr. Cook then stated with economic development, government dollars are directed to one specific individual or one specific business at the cost of all other possible and current businesses, adding that is the way it happens and asked the Council to remember that. Mr. Cook then spoke about

using CDBG grant money to restore historic buildings, stating the prevailing attitude is that nothing can be done, but he would like to contrast that attitude with what was done at the San Javier mission, which he believes was built in the 1700s. Mr. Cook then stated during the mid-1800s the mission was abandoned and rundown and that prevailing attitude could have been the same, but thankfully, it wasn't and instead the building was repaired. Mr. Cook then stated there are adobe buildings in town that can still be saved, adding some may not be able to be saved, but he thinks the rest can still be prevented from going into condemnation and some in condemnation can be brought back out with these funds. Mr. Cook then stated this was a concept he hoped the Council would think about, adding he didn't expect them to switch projects in this cycle, but asked them to please keep rehabilitating historic buildings in mind for next grant cycle.

Mayor King asked if there was anyone else present who did not sign up to speak during the public hearing who would like to speak now. After no responses, Mayor King closed the public hearing at 7:20 p.m.

NEW BUSINESS:

1. Discussion and possible action regarding Resolution 13-2017 of the Mayor and Council of the City of Benson, Arizona, approving a Tentative Budget for Fiscal Year 2017-2018

Mayor King stated a few things changed in the budget, including the addition of a SAFER grant that Councilmember Garner wished to include. Councilmember Garner then stated a SAFER Grant is a grant funded by FEMA allowing for the addition of full-time fire staff to cities, adding the positions would be funded 100% for 3 years and then it would be up to the cities to finance those positions from that point forward. Councilmember Garner then stated he thinks the City is approaching a point of starting to see some growth and it would be good to be prepared for the additional houses and businesses that come with growth. Councilmember Garner then stated this grant could be bridge the gap between growth starting and having the tax base to support those full-time fire fighters, adding it's a good opportunity for the City. Mayor King talked about the developer paying for additional firefighters, but he wanted to be sure the funding was included in the budget, in case the decision is made to hire in the Fire Department. Councilmember Garner then continued stating careful consideration is needed in the SAFER grant process because if the City were to apply and receive the grant, the City would be responsible for maintaining those positions or would have to pay those grant funds back. Councilmember Garner then stated the City would need to proceed with caution, but he would like to include the possibility of applying for the grant in the budget to be prepared for the growth that might take place.

Councilmember Lambert stated he thought it was a great idea, adding he would be against the grant application if it only funded 1 year, but he looked into it and it would fund the positions for 3 years, which would help the City if they hired full-time fire personnel.

Mayor King stated he discussed this with City Manager Bill Stephens, adding they discussed having funding in the budget for anticipated growth not only in the Fire Department with the SAFER grant, but in other departments such as Planning & Zoning, Building and Finance, should it be needed. Mr. Stephens stated the funding they discussed was already laid in the budget with regard to some of the development activity, the biggest of which is the El Dorado project, but noted there are other developers talking to the City. Mr. Stephens then stated the proposed developments will create activity in the Planning & Zoning Department and the funding is there to step up the pace once that happens. Mayor King stated he realizes this funding inflates the budget, but if the development funding doesn't come in, the City doesn't pay for those development expenses with Mr. Stephens agreeing. Mr. Stephens then stated, just like with the SAFER grant, the funding and expenses are included in the budget. Mr. Stephens then stated with the SAFER grant, there would be some additional personnel costs that come into play, but the City could work on that. Mr. Stephens then stated the important part of the SAFER grant is that it is a 5-year concept, adding funding for positions is provided for 3 years and then the City has to fund those positions for 2 additional years, adding this is important because if the City doesn't fund those positions for the 2 additional years, the entire grant award has to be paid back. Mr. Stephens then stated the budget also contains funding to support development activity, adding the City already has 6 on-call engineering firms that can be utilized as needed, noting the City has 6 firms due to each firm having specialties. Mr. Stephens then stated in the Planning & Zoning Department, the City has Brown & Associates on retainer, adding this decision was made due to budget constraints in previous years and in trying to recover from the economic downtimes. Mr. Stephens then stated instead of filling the vacant position, it was left open and the City pays Brown & Associates as needed

opposed to a full-time employee with benefits, but he is watching and once the expenses are equal to or greater than a full-time employee, he will advertise the position and hire someone to replace the position former Building Official Luis Garcia vacated.

Mayor King then stated the budget includes funding for vacant positions and he knows Mr. Stephens is working on hiring an HR person and a Finance Director, but he wanted to stress that these positions, in addition to the positions of an Administrative Assistant and a Deputy Clerk needed to be filled as soon as they can.

Councilmember Lambert stated he wanted the public to know the reason grant funding and extra development funding were included in the budget, noting if the funding isn't in the budget, it can't be spent. Councilmember Lambert then stated it was just like the \$450,000 in the budget to address the CIP of the quiet zone, adding if the Council does get a grant to address the quiet zone, no money could be spent on it unless it was included in the budget.

Mayor King agreed, stating the extra funding inflates the budget, noting the grant funding alone is over \$5 million with the addition of the SAFER grant, but if those funding opportunities are included, then none of that funding, should it be awarded can be spent. Mayor King then stated once the budget is approved by the Council, money can be moved around in the budget, but the overall budget cannot be increased. Mayor King then asked if there was any further discussion.

Councilmember Lambert moved to approve Resolution 13-2017. Seconded by Councilmember Garner. Motion passed 4-0.

2. **Discussion and possible action regarding Resolution 14-2017 of the Mayor and Council of the City of Benson, Arizona, authorizing the submission of an application(s) for FY 2017 State Community Development Block Grant (CDBG) Funds, certifying that said application(s) meets the community's previously identified housing and community development needs and the requirements of the State CDBG Program, and authorizing all actions necessary to implement and complete this activities outlined in said application(s)**

Public Works Director Brad Hamilton stated he would like to address some of the projects that were brought up in the Call to the Public, adding the biggest CDBG grant focus is on low- to moderate-income areas. Mr. Hamilton then stated for a street to be improved, the street would have to be in a neighborhood that would qualify as a low- to moderate-income neighborhood, adding the beneficiaries of Aviation Drive would be the City of Benson and possibly Union Pacific, so Aviation Drive would not qualify for this funding. Mr. Hamilton then stated in the past, the City tried to use CDBG funds to pay for improving Adams Street and could not because it was determined that Adams Street abutted the City park and property owned by El Paso natural gas, adding the Council can see there are restrictions to streets that can be done. Mr. Hamilton then stated there are also restrictions on using this funding for economic development, adding that would also have to be centered on low- to moderate-income areas, such as building a job training center in a low- to moderate-income area, but noted a restaurant or other businesses outside that area would not qualify. Mr. Hamilton then stated abatement is another goal of CDBG, but with the heavy rules in place, he is not sure it would make sense fiscally to do that. Mr. Hamilton then stated for the past few years, this funding has been used to replace bathrooms that were not ADA compliant with ADA accessible bathrooms, adding making government building ADA accessible is a special category for CDBG. Mr. Hamilton then stated the bathroom projects at the park have been popular and there is 1 bathroom left that qualifies, which is being suggested at this time.

City Manager Bill Stephens stated with relationship to Mr. Insalaco's comments, he agrees with much of what Mr. Insalaco said, adding he would like to spend money on just about everything Mr. Insalaco spoke about, as long as the City could stay in the bounds of the CDBG rules. Mr. Stephens then stated he would look into what could be done, adding the City will make every effort to utilize the CDBG funds to the maximum extent possible.

Mayor King stated he remembered not being allowed to pave Adams Street, adding the funding rules are very strict, but he agrees that the Council could see what else they could do regarding the ideas brought up at the Call to the Public.

Councilmember Lambert asked what the amount was determining low- to moderate-income with Mr. Hamilton stating it was defined by the census, but didn't know it off-hand. Councilmember Lambert then asked how much funding the grant provided with Mr. Hamilton stating the state hasn't released the amount of the grants yet. Councilmember Lambert then stated he knew certain roads prequalified for this grant funding and several years ago, the previous City Manager Glenn Nichols and others, went door-to-door to try and get income levels to qualify other roads or areas, but they got the door slammed in their faces most of the time with Mr. Hamilton stating Mr. Nichols was successful in getting a special survey done for 5th street, which qualified, but when he tried to qualify Union Street, no one would talk to him about their income, so Union Street didn't qualify for funding.

Mayor King asked about the barrio area with Mr. Hamilton stating that area was prequalified through the census. Councilmember Lambert then stated if the Council wants to qualify an area in the future, advertising needs to be done and inform citizens what is being done with Mr. Hamilton stating the City did advertise the last time this was attempted, but he heard the ads were misinterpreted and there was a rumor the survey was being done to allow new low-income apartments, adding unfortunately, the specific language in any advertisements are dictated by the grant program.

Councilmember Lambert moved to approve Resolution 14-2017. Seconded by Councilmember Boyle. Motion passed 4-0.

DEPARTMENT REPORTS: No comments from Council.

ADJOURNMENT:

Councilmember Boyle moved to adjourn at 7:40 p.m. Seconded by Councilmember Lambert. Motion passed 4-0.

ATTEST:

Toney D. King, Sr., Mayor

Vicki L. Vivian, CMC, City Clerk