

**THE SPECIAL MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD JULY 10, 2019 AT 6:00 P.M.
AT THE BENSON COMMUNITY CENTER, 705 W. UNION STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 6:05 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, Barbara Nunn and Nick Maldonado. Absent was: Councilmember Larry Dempster, who was excused by the Mayor.

EMPLOYEE RECOGNITION: None

PROCLAMATION: None

CITY MANAGER REPORT:

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

Monday, July 22, 2019 – Council Meeting, 7:00 p.m., Community Center

Saturday, July 27, 2019 – Benson City Pool –
Wrap up Pool Party! Saturday, July 27 from 11:00 a.m. – 5:00 p.m.,
Free Admission! Sponsored by the Sun Valley Rides Carnival

Pool hours and the pool activity schedule is available at
www.cityofbenison.com

July – Summer Recreation Programs – The Recreation Department offers many activities such as:

- Volleyball Camp
- Christmas in July
- Babysitting CPR/First Aide
- Wrestling Camp
- Hungry? Let's Cook!

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

Mayor King thanked staff on the 4th of July program stating it was amazing and looking forward to next year.

NEW BUSINESS:

1. **Discussion and possible action on the Consent Agenda**

- 1a. Contract extension for Prosecutorial Services between Ann P. Roberts and the City of Benson
- 1b. Invoices processed for the period from June 13, 2019 through June 27, 2019

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

2. **Discussion and possible action regarding Resolution 20-2019 of the Mayor and Council of the City of Benson, Arizona, designating the City's Finance Director as the Chief Financial officer (CFO) of the City for purposes of submitting the City's current year Annual Expenditure Limitation Report (AELR)**

City Manager Vicki Vivian stated the State Auditor General's office requires each city, town, and community college district in the State to annually provide the name of the CFO the governing board (Council) designated to submit the current year's annual expenditure limitation report. Ms. Vivian then stated the Auditor General's office has updated the designation form to require documentation, such as a board resolution or meeting minutes, adding this resolution designates the City's Finance Director as the City's CFO and authorizes him to submit the AELR after the audit has been completed.

Vice Mayor Konrad asked if the Council would be designating the Finance Director as a CFO that would continue or if the Council would have to designate someone each year with Ms. Vivian stating the Council would designate someone each year. Ms. Vivian then stated in moving forward, the designation will be incorporated into the resolution approving the Final Budget, noting there will not be a separate resolution for the designation.

Mayor King moved to approve Resolution 20-2019. Seconded by Councilmember Nunn. Motion passed 6-0.

3. **Discussion and possible action regarding Ordinance 600 levying upon the assessed valuation of the property within the City of Benson, Arizona, subject to taxation a certain sum upon each One Hundred Dollars (\$100.00) of valuation, sufficient to raise the amount estimated to be required in the annual budget**

City Manager Vicki Vivian stated the Property Tax Ordinance is adopted annually no earlier than fourteen days following Council's adoption of the Budget for the next fiscal year. Ms. Vivian then stated the levy proposed upon each One Hundred Dollars (\$100.00) of assessed value of all property, both real and personal, within the corporate limits of the City of Benson, except such property as may be by law exempt from taxation, is a tax rate of \$.8704 cents per \$100.00 of the assessed value of all real and personal property in the City of Benson, subject to taxation, such sum to be set aside and used for the General Fund. Ms. Vivian then stated a Public Hearing was held on June 13, 2019.

Ms. Vivian then stated it is important to note that the City receives a small portion of the total property taxes paid to the County each year, adding the vast majority of each tax bill goes to support the Benson School District, the San Pedro Valley Hospital and Cochise County.

Ms. Vivian also stated this tax levy ordinance is an administrative method of setting apart funds necessary for use and maintenance and it does not require an extraordinary $\frac{3}{4}$ vote to make it effective immediately, noting this determination is based on a Supreme Court decision and is fully explained in the Municipal Budget and Financial Manual provided by the Arizona League of Cities and Towns.

Ms. Vivian then stated she would like to give Council a copy of a property tax bill Councilmember Maldonado requested; then stated the Council can review the 2017 and 2018 taxes showing increases or decreases and then noted the tax rate for Cochise County is \$2.67. Ms. Vivian then stated she wrote out the percentages of the total tax that each entity received because previous tax bills would include that information. Ms. Vivian then stated the City of Benson receives 6.6% of all taxes paid; the Benson School District is listed with their four taxes, for a total of 41.5%. Ms. Vivian then noted taxes on the Benson School went down -125.72 due to a school bond that ended, but with the recent election which included a school override that passed, the taxes will really stay the same in the next tax cycle.

Mayor King asked how much the increase would be if the Council increased the levy rate to \$.8704 with Ms. Vivian stating the total tax increase on a \$100,000 house would be \$4.16 a year or 34.6 cents a month. Mayor King stated the people are against raising taxes, however \$4.00 is not a large amount, adding most people will spend that much on sodas in a week.

Vice Mayor Konrad stated this is how the Council balances the budget and by doing this it doesn't fluctuate.

Vice Mayor Konrad then stated he is not in favor of raising taxes, but he is in favor of balancing the budget.

Ms. Vivian stated one of the best practices put in place was hiring our Financial Consultant, Pat Walker, adding Council has discussed the property tax levy quite a bit with Ms. Walker and she has stated one of the things that needs to be done is to give Council the maximum flexibility and to program in the maximum allowable rate, which is set by the State, to give Council the opportunity to adopt up to that amount. Ms. Vivian then stated should a lower amount pass, Staff would have to find that savings in the budget or cut something out of the budget, but the reason this is done is to not limit the Council's flexibility. Ms. Vivian then stated Council has discretion on adopting a rate up to the maximum amount. Ms. Vivian then stated if the property tax rate is left static and the property values go down, the City is reducing the amount of collections. Ms. Vivian then stated if the City continuously leaves the levy rate the same, eventually the State can come in and adjust the maximum allowable rate, which is an issue of a higher government coming in and dictating to a smaller government and removes the flexibility from Council.

Councilmember Boyle moved to approve Ordinance 600. Seconded by Mayor King. Motion passed 5-1, with Councilmember Diaz voting nay.

4. **Discussion and possible action on the proposal from Prime Controls under GSA Contract Number GS-35F-0455W for PLC (Programable Logic Controllers) and HMI Upgrades in the amount of \$91,676.00**

Brad Hamilton P.E./City Engineer, Public Works Director stated the computer system that controls the wastewater treatment plant is over 20 years old and needs replacing, adding two weeks ago, there was a cyber-attack that finished it off.

Councilmember Boyle asked about what protections were being put into place to ensure the new system is protected from this happening with Mr. Hamilton stating when there is a cyberattack there is a 50% chance the system won't come back and the current operating system, operating on Windows XP, was vulnerable due to there being no security system updates and no support. Mr. Hamilton then stated Windows 10 offers Wonderware software 7.1.1, version 2016, which is better software and has better support, such as virus controls, a fire wall and an upgraded cyber security system.

Councilmember Maldonado asked what would happen if the Council did not update the treatment plant with Mr. Hamilton stating the only way to see what's going on is the operators running tests and currently, the City is paying overtime for employees to monitor the system manually and it will only get worse. Mr. Hamilton then stated when the software was put in, there was an ability to check it from a laptop and monitor what was going on that is no longer an option, noting the nice thing about that was that the City wasn't paying the treatment plant operator to go check on the plant.

City Manager Vicki Vivian then stated this project was to be done in the fall, but it has been in the CIPs (Capital improvement Projects) for ten years, adding Staff knew the plant couldn't keep operating on the old software system with no support and it would be a necessary upgrade.

Vice Mayor Konrad asked if there was any way to quantify the increase and how it would be paid for as part of the wastewater rates with Mr. Hamilton stating this project was actually programmed in the recommended rate increase, adding it was cash, bond or financing eligible, which is why it was slated for the fall.

Mayor King stated it was good that the Council did what they did, adding the City will pay cash for it, get it done and have the money put back through the process of what the Council has approved in the past, adding there will be funds available and it won't set the City budget back too much.

Councilmember Diaz asked if the City would be taking the cash option and paying it back through the rate increase or utilizing the 2010 series bond proceeds with Mr. Hamilton stating the project is eligible for bond financing, but that would be a question for the Finance Director, Seth Judd, adding there are also other projects coming up. Councilmember Diaz then stated fiberoptic cables are different now with Mr. Hamilton stating the current system is fiberoptic with coaxial cable, so it will be going from coaxial cable to fiberoptic and then to

ethernet and all of it will be replaced. Councilmember Diaz asked if all the modules would remain in place with Mr. Hamilton indicating they would, as they are not an emergency at the moment.

Vice Mayor Konrad moved to approve GSA Contract # GS-35F-0455W. Seconded by Mayor King. Motion passed 6-0.

EXECUTIVE SESSION: Pursuant to A.R.S. § 38-431.03 (A)(3) & (7), for discussion or consultation for legal advice with the attorney or attorneys of the public body and discussions or consultations with the Mayor and Council's designated representatives to consider its position and possibly instruct its representatives regarding negotiations for the purchase, sale, lease, or exchange of city-owned real property.

Councilmember Maldonado moved to enter into an executive session with the Mayor and Council, the City Manager, the City Attorney and the Public Works Director at 6:27 p.m. Seconded by Vice Mayor Konrad. Motion passed 6-0.

Council reconvened at 7:44 p.m.

CALL TO THE PUBLIC: None

DEPARTMENT REPORTS: None

ADJOURNMENT:

Councilmember Maldonado moved to adjourn at 7:44 p.m. Seconded by Councilmember Diaz. Motion passed 6-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk