

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD AUGUST 13, 2012, 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 7:00 p.m. with the Pledge of Allegiance. Mayor King then introduced Adam Gilbert of the Baha'i Faith who gave the invocation. Mayor King then stated he would again like to thank Vice Mayor McGoffin for standing in for him during his absence and would like to thank the Council, Staff and the community for standing behind him while he was recovering.

ROLL CALL:

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

EMPLOYEE RECOGNITION: Mayor King stated Vice Mayor McGoffin would recognize the employees for their years of service. Acting Mayor McGoffin then recognized Loretta Goeglein for 10 years of service and Chuck Trujillo for 20 years of service with the City of Benson.

PROCLAMATION: None.

PUBLIC HEARING: None.

CALL TO THE PUBLIC:

Heather Floyd of Arizona Electric Power Cooperative (AEPCO), addressed Council regarding an Environmental Protection Agency (EPA) hearing to be held in Benson on Wednesday from 6:00–8:00 p.m. at the Benson campus of Cochise College. Ms. Floyd stated the hearing is to discuss the regulations EPA is proposing for regional haze, adding the EPA is saying regional haze is impacting Class I facilities in the state of Arizona, which would be national parks such as the Grand Canyon and the Chiricahuas. Ms. Floyd then stated AEPCO has already worked with the Arizona Department of Environmental Quality (ADEQ) and come up with a proposed plan, but the EPA has rejected that plan and wants AEPCO to go forward with much more expensive technologies, so they are holding a public hearing to get comments from the public on how they feel this would impact them. Ms. Floyd then stated the proposed technologies they are asking for would cost AEPCO approximately \$218 million with the net affect being approximately \$1,500 to each customer to cover that expense. Ms. Floyd then stated regional haze is not a health issue, but is just an issue of whether we can see the monuments, adding the difference in the technologies is unperceivable to the human eye. Ms. Floyd then stated if regional haze were a health related issue, it would be a concern, but since the difference in technologies is barely measurable, they don't see the need to expend the extra funding and pass the costs on to their customers. Ms. Floyd then stated she left handouts on the back table, adding the public is welcome to come to the EPA's public hearing and speak, noting there will be a 3 minute limit for speakers, but they will also be taking written comments until September 15.

Patricia Fleming addressed Council stating she would like to thank them for serving. Ms. Fleming then stated as a former representative in the Arizona Legislature, she had the honor of similarly representing the Benson area community proudly and would like to introduce herself as a candidate for the Arizona Senate in the new Legislative District 14. Ms. Fleming then stated there are many similarities in our communities and what she has found, for the most part, are those seeking office and those serving in office are wanting to do the best job possible for their constituents, adding this is her intent. Ms. Fleming then stated she is always open to conversation and is readily available. Ms. Fleming thanked the Council for their time.

Paul Lots of, CAVEFM, addressed Council welcoming Mayor King back. Mr. Lots of then stated at the 4th of July celebration he found a very talented country music band performing with only about 20 people in attendance and could only assume limited advertising was to blame. Mr. Lots of then compared the local weekly newspaper advertising to advertising on his radio station, adding the City could have reached well beyond the Benson area for much less cost. Mr. Lots of then stated the same could be said for advertising Butterfield Stage Days, adding the City used a Tucson station and an obscure publication and should have used local advertising. Mr. Lots of then stated he thinks the City should set an example, and more importantly, he suspects the procurement code is being ignored. Mr. Lots of then stated the Arizona Legislature has now decided all elections will be held in even numbered years in the fall, adding the City of Tucson has found it can insulate itself from the State by being a charter City and possibly Benson can do the same. Mr. Lots of then stated if Council does decide to follow this law, they should also address the appointment of a Councilmember when a vacancy occurs, adding an appointment should last no more than 2 years, since an election is held every 2 years.

Charlie Taylor addressed Council stating he was proposing an ordinance or resolution banning any business that has had problems with sexual abuse in the past unless they have been examined by the Council or the City. Mayor King stated Council had the information Mr. Taylor had given to them earlier and Council would review it. Mr. Taylor thanked Council for their time.

Constance Taylor addressed Council stating she and her son, Charlie Taylor, had given information to the Council regarding his molestation, adding she and her son have suffered 42 years after he was molested. Ms. Taylor then stated child molestation is everywhere and she thanked the Council for reading the information they were given.

William Jakobek addressed Council regarding Riggins Rules, stating these rules were designed for the Phoenix Planning Commission and they have a lot of good advice concerning matters that can be brought up and conduct. Mr. Jakobek then stated the rules include good points and good advice for any governing body, adding he thinks the Council does a good job. Mr. Jakobek then stated the VFW is going to be holding their first candidates night on Monday, August 20 at 7:00 p.m. and they wished to extend a cordial invitation to everyone in attendance. Mr. Jakobek stated there will be speakers on all levels, adding everyone who is on the ballot has been invited to attend. Mr. Jakobek then stated if anyone has any questions, he would be available until after the meeting to answer them and thanked Council for their time.

CITY MANAGER REPORT:

City Manager Glenn Nichols addressed Council, giving the dates of upcoming meetings and events.

August 14, 2012	– Library Advisory Board, 4:00 p.m., Library
August 18, 2012	– Historic Preservation Commission, 9:00 a.m., City Hall
August 27, 2012	– City Council Meeting, 7:00 p.m., City Hall
August 28, 2012	– Community Watershed Alliance, 6:30 p.m., City Hall

Mr. Nichols then stated the Community Watershed Alliance (CWA) would be holding an additional meeting on August 14, 2012 at City Hall beginning at 7:00 p.m. Mr. Nichols then reminded those present of the continuing work on the Interstate 10/State Route 90 Traffic Interchange project, adding up-to-date information can be found at www.azdot.gov. Councilmember Brooks stated he believed the CWA meeting would begin at 6:00 p.m.

NEW BUSINESS:

1. Consent Agenda

1a. Minutes of the June 25, 2012 Regular Meeting

- 1b. Minutes of the July 9, 2012 Regular Meeting
- 1c. Reappointment of Dick Ferdon as Chairman of the City of Benson 4th of July Committee
- 1d. Resolution 38-2012 of the Mayor and Council of the City of Benson, Arizona, approving and authorizing the execution of an Intergovernmental Agreement between the City of Benson and the Benson Unified School District #9 (the "District") to permit reciprocal use of the buildings and grounds of the City of Benson and the District
- 1e. Resolution 39-2012 of the Mayor and Council of the City of Benson, Arizona, approving and authorizing the execution of an Intergovernmental Agreement between the City of Benson and the Pomerene Elementary School District #64 (the "District") to permit reciprocal use of the buildings and grounds of the City of Benson and the District
- 1f. Resolution 40-2012 of the Mayor and Council of the City of Benson, Arizona, approving and authorizing the execution of an Intergovernmental Agreement between the City of Benson and the St. David School District (the "District") to permit reciprocal use of the buildings and grounds of the City of Benson and the District
- 1g. Invoices processed for the period from June 29, 2012 through July 10, 2012
- 1h. Invoices processed for the period from July 11, 2012 through August 1, 2012

Vice Mayor McGoffin moved to approve the Consent Agenda. Seconded by Councilmember Lambert. Motion passed 7-0.

2. **Presentation, discussion and possible action regarding a community fitness day sponsored by the City of Benson on Saturday, September 15, 2012**

City Manager Glenn Nichols stated Mr. Ausseresses was here to address Council concerning this event. Councilmember Lambert then stated he wanted this item on the agenda to inform the public of the event and to give Mr. Ausseresses the opportunity to update the Council on the progress of the event. Mr. Ausseresses then addressed Council stating the event will be held on September 15, 2012 from 8:00 a.m. to noon and there are a few local health or fitness-oriented businesses that will be setting up booths at the event. Mr. Ausseresses stated since he has started on his weight-loss journey, he has received over 200 emails from people in our community showing him just how big the issue of weight-loss is, adding many of those people have over 100 pounds to lose. Mr. Ausseresses then stated when he saw the scope of the problem, he wanted to take the momentum and help others, adding he has now been on KGUN 9 news and has been contacted by a nationally broadcast television show that will be sending a camera crew here to tell our community's story. Mr. Ausseresses then stated Chris Powell from ABC's Extreme Makeover Weight Loss Edition is going to be submitting a motivational video to the City of Benson at no cost, adding Mr. Powell normally charges \$25,000 for a 30-minute speaking endeavor. Mr. Ausseresses then stated he has received a tremendous amount of support and he wants to share that with others, adding if we can rally as a community, even more people will benefit. Mr. Ausseresses then stated the event so far will include speakers on a variety of health and fitness topics, a walk, adding they will have the path measured out in tenths of a mile, so it won't be too cumbersome or difficult for anyone. Mr. Ausseresses stated from there, they will be registering the combined weight of the community, to use in the Penny per Pound pledge, where they will be asking local businesses and community members to donate, with the funding being used toward subsidizing gym memberships, paying to have monthly community workouts, a group dietician with seminars and things of that nature to put people on the path to success and as a community, hold each other accountable. Mr. Ausseresses then stated he met with Mr. Nichols and found the City could endorse the event with a letter, hopefully alleviating the apprehension of some businesses donating toward the event. Councilmember Lambert then stated by having a community event or workout monthly, it would help keep the momentum going. Mr. Ausseresses then stated he had spoken to 4 local physical trainers who want to plan out a monthly calendar event where the whole community can come together and workout and exercise and refocus their goals and get back on pace with everyone. Vice Mayor McGoffin asked if the participants would be weighing in with Mr. Ausseresses stating they would weigh in monthly and again at the end of the year for the pledges. Mr. Ausseresses then stated with the offers he has had and more in the works, there is going to be a lot of exposure for the community and he thinks it's going to do amazing

things not only for our health and fitness but in bringing us together as a community. Vice Mayor McGoffin and Councilmember Brooks commended Mr. Ausseresses for what he has done so far. Councilmember Lambert then asked Mr. Ausseresses about his weight loss with Mr. Ausseresses stating he has lost 110 pounds so far. Councilmember Lambert commended Mr. Ausseresses for all that he has done on a personal level and for what he is trying to do for the community. Councilmember Lambert then stated he would like to get the ball rolling on the endorsement and also on giving some funds to the event. City Attorney Mike Masee stated a sponsorship may be more appropriate, adding the problem is that the concept of an endorsement can imply that businesses that contribute could use it as a tax write-off to a non-profit, but the City doesn't have that set up yet nor is it on the agenda, so limiting the City's action to a sponsorship would probably be the right way to go right now. Councilmember Lambert then moved to give Mr. Ausseresses a sponsorship of the event to be held on September 15, 2012 and to make a pledge of donating \$.10 per pound, which would be a maximum of \$1,000 from the Community Enrichment fund if the participants reach their goal of 10,000 pounds. Seconded by Vice Mayor McGoffin. Mayor King then stated he has known Mr. Ausseresses for a number of years and commended him for what he is doing on his weight-loss adventure. Motion then passed 7-0. Councilmember Lambert then moved to allow Mr. Ausseresses the use of the City of Benson logo in flyers and everything else for the event. Seconded by Vice Mayor McGoffin. Motion passed 7-0. Mr. Ausseresses thanked the Council for their support and Council wished Mr. Ausseresses good luck with the event.

3. **Resolution 41-2012 of the Mayor and Council of the City of Benson, Arizona, accepting the Drainage Mitigation Study for the City of Benson dated April, 2012 as conducted under CDBG Contract #106-11**

Public Works Director Brad Hamilton stated this is the final document from the engineer under the CDBG grant for the drainage study. Mr. Hamilton stated the drainage study will hopefully be a useful tool in attracting grants to complete recommended projects to mitigate flooding hazards. Vice Mayor McGoffin moved to approve Resolution 41-2012. Seconded by Councilmember Brooks. Motion passed 7-0.

4. **Resolution 42-2012 of the Mayor and Council of the City of Benson, Arizona, declaring the Cochise County Multi-Jurisdictional Hazard Mitigation Plan 2012 to be a public document and adopting said plan as the City's Hazard Mitigation Plan**

Fire Chief Keith Spangler stated this item is a result of collaboration between the County, other municipalities within the County and the Arizona Department of Emergency Services, bringing workgroups together to look at issues each agency has and how to mitigate those problems before they occur. Chief Spangler then stated the plan is a tool to allow the State to get money from federal programs, which would then roll downhill from there. Councilmember Brooks stated he saw the plan takes into consideration highways, roadways and railways, adding he knows ammonia comes in and sits on the tracks and asked if we have a plan for that kind of hazard. Chief Spangler answered, stating this plan addresses it a little, adding we do have evacuation routes if that were to happen and in the past, when we have had issues with that type of scenario, we've taken care of it with the hazardous materials team from the County. Discussion then focused on an alert or notification program for a hazard with Chief Spangler stating the sirens are an antiquated system that no longer work and would be very expensive to replace, adding the City has utilized media outlets and contacted businesses to inform the public in the event of an emergency. Council briefly discussed looking at warning systems in the future and possibly using an alert on cell phones and other electronic distribution means. Councilmember Brooks then moved to approve Resolution 42-2012. Seconded by Councilmember Maldonado. Motion passed 7-0.

5. **Resolution 43-2012 of the Mayor and Council of the City of Benson, Arizona, authorizing the City Manager to apply for a Union Pacific Foundation Grant to fund community beautification**

City Manager Glenn Nichols stated Union Pacific contacted us with information on an available grant up to \$5,000 for beautification in the community, adding Staff is in the process of putting an application together

to put something in the area along the Visitors Center that would be designed around the “Traintown, USA” designation the City recently received and would include the various logos from all the different railroads that have had anything to do with Benson. Mr. Nichols then stated this would hopefully attract tourists by enticing people to stop and view the display and visit the Visitors Center to learn more about Benson’s history. Mayor King stated he thought it would be a great addition to the Visitors Center, especially since the caboose is already located there. Councilmember Lambert stated he had spoken to Mr. Nichols about the project and expressed his desire to open the caboose to allow viewing and a photo opportunity for tourists. Councilmember Lambert then moved to approve Resolution 43-2012. Seconded by Councilmember Moncada. Motion passed 7-0.

6. Review of City Finances with emphasis on the financial results for the month of June, 2012, and the City’s financial position at June 30, 2012, and discussion of sales tax revenues and projected future net revenues

Finance Director Jim Cox gave a brief overview of the City finances for the month of June and the end of Fiscal Year 2011-2012, beginning with citywide financial highlights, stating the City’s cash position is stable at \$2.1 million, where we were a year ago. Mr. Cox then stated remaining bond proceeds that have not been allocated for specific projects total \$1.6 million, adding over the past two years, we have spent about \$800,000 of the bond proceeds. Mr. Cox then stated fund balances citywide for the month of June were down \$127,000, primarily due to the \$250,000 annual payment to Wal-Mart. Mayor King asked about the balance owed to Wal-Mart with Mr. Cox stating the remaining balance is approximately \$1.2 million. Mr. Cox then stated for Fiscal Year 2011-2012 fund balances are down \$56,000, which tells us that our revenues and expenditures were extremely close this year, with the overall performance of the City being slightly down from prior years. Discussion then centered on contributing factors to lower revenues such as the construction of the I10/SR90 Interchange, the closing of Gas City with the reopening of Love’s taking longer than expected and the repair of the J6 bridge. Mr. Cox then continued with citywide financial results, stating the June revenues of \$1.2 million were comparable to a year ago, adding Fiscal Year 2011-2012 saw overall revenues of \$10.6 million which was up \$132,000 compared to Fiscal Year 2010-2011. Mr. Cox then addressed personnel stating the costs for June were \$384,000 which is comparable to Fiscal Year 2010-2011, adding the year-to-date costs were \$4.8 million, which was up \$93,000 compared to last year, but last year didn’t include a full year of the golf course or transit operations.

Mr. Cox then moved to the General Fund, stating revenues were \$370,000 for June, and were \$4.7 million for Fiscal Year 2011-2012, adding year-to-date City sales taxes are down \$52,000 from the prior year, but State sales taxes continue their rebound and are up \$37,000 for the fiscal year. Mr. Cox then stated State revenue sharing is down \$30,000, however, it will be coming back up in the current fiscal year, adding it should be up approximately \$60,000 from the current year which is a positive on the horizon. Mr. Cox then stated expenditures in personnel were \$3.0 million for the fiscal year, which is down \$102,000 compared to last year and other costs are \$1.5 million year-to-date which is \$372,000 more than last year, adding that can be largely attributed to the new fire apparatus purchased out of the General Fund.

Mr. Cox then addressed the Enterprise Funds stating the Gas Fund was up \$28,000 for the month of June and up \$16,000 for the year, noting the presentation in the Council packet was incorrect. Mr. Cox then stated the Water Fund was up \$111,000 for the month of June, but that was largely due to a bond reimbursement for the purchase of electronic meters in the amount of \$102,000, adding the Water Fund was up a total of \$159,000 for the fiscal year. Mr. Cox then stated the Wastewater Fund was down \$11,000 for June due to timing of billing and expenditures, but is up \$103,000 for Fiscal Year 2011-2012, adding he would like to emphasize that \$103,000 excludes debt service.

Mr. Cox then stated the Golf course was down \$37,000 for June and was down \$116,000 for Fiscal Year 2011-2012, adding that included an expenditure of \$37,000 in June for the purchase of a new main pump for the irrigation system to replace the original pump which was 12 years old. Mr. Cox then stated also, in June, expenditures were made for most of the chemicals that will be used during the heavy use summer

season. Mr. Cox then stated operational wise, the golf course is operating very smoothly with a lot of changes implemented that are quite positive. Mr. Cox then stated the challenge for the golf course is nothing more than we need more revenue, adding Staff has worked hard to develop customer loyalty, and has gotten past the pythium mess we had last summer, along with the fact that the nature of the competition has recently changed and he thinks we'll begin seeing this in the numbers.

Director of Golf Jay Tomerlin then addressed Council concerning the golf course, stating a change in golf rates will be done at the end of the month, followed by a change around Thanksgiving, adding we follow the same schedule and market conditions as other golf courses in southern Arizona. Mr. Tomerlin then stated we have a very competitive resident rate and non-resident rate. Mr. Tomerlin then stated the course conditions are very good and he has had nothing but positive responses on the course. Councilmember Lambert then stated he had gone to the golf course and the course and fairways are in excellent shape and then asked Mr. Tomerlin to address the new implementation of the executive golf course. Mr. Tomerlin stated he had been in the process of developing a junior golf course since the SNAG camp was such a success, but after the closure of Turquoise Hills Golf Course, he thought about the elderly and local people who like an executive golf course, and decided to develop an executive/junior tee, which he has rated through the State already, adding the San Pedro Golf Course now has a par 62 golf course that is 3,500 yards. Mr. Tomerlin then stated this was done with no additional costs, besides putting out some tee markers, adding no new tees were constructed. Mr. Tomerlin then stated they have also started having the Friday Fiasco that used to be held at Turquoise Hills Golf Course. Councilmember Brooks commended Mr. Tomerlin on what he has done recently and asked if San Pedro would see an increase in golfers since Turquoise Hills is closed. Mr. Tomerlin stated San Pedro has seen and will continue to see some increase, but it is hard to predict to what extent, adding he is a firm believer that the more golf courses you have, the more players they draw. Councilmember Brooks asked if Mr. Tomerlin was working on putting together a package for golf that would include overnight stays in Benson with Mr. Tomerlin stating developing the executive course became higher priority, but he will work on a "stay and play" package.

Mr. Cox then addressed taxes stating the State year-to-date tax collections are rebounding nicely, while the City tax collections are off 2% year-to-date, which translates to a \$52,000 decrease from last year's collections. Mr. Cox then stated our tax collections are on a decreasing trend, which is disappointing, but the City's overall financial performance is just slightly below recent years, adding it's not cause for concern, but is a cause to watch. Mr. Cox then stated the Fiscal Year 2012-2013 budget is challenging, and assumes some additional expenditures, adding to keep pace with our prior 5 years, the City needs more revenues this year, so we'll need to watch it carefully. Mr. Cox then stated the City remains financially sound under the current conditions, but if economic conditions take a turn for the worse, we will need to react, adding he is confident Council will do so.

Mr. Cox then stated bed tax collections are down 50% from last year. Councilmember Maldonado asked why this was with Mr. Cox stating he felt it was a combination of lower occupancy rates and lack of payment, stating this is obvious when the payments drop 50% after holding nicely for years. Mr. Cox then stated the disturbing thing is the continuing rate of decline. Mr. Cox then stated construction sales taxes are similar to prior years, adding we are going to see a decline since the majority of these collections this year have been associated with the interchange construction. Mr. Cox then stated the City's transaction privilege tax collections have been trending downward, whereas the State has rebounded nicely, adding he hopes to see the same trend the State has had and hopefully we will when then interchange is completed.

Mayor King then stated as a City, our Staff has done very well and we all worked to get through it, adding he is proud to say, we have not had a furlough or a layoff and we were able to pass a bond during this time and after 5 years, were able to finally give Staff a raise. Mayor King then stated he is proud of our Staff and Department Heads for standing behind the Council and keeping the City in great shape. Mr. Cox stated it was due to the leadership of Council and he thinks the evidence of that is the bond rating the City has, adding he doesn't know of another City anywhere near our size that has that kind of bond rating. Mr. Cox then stated Council can be proud of the work they have done.

7. **Ordinance 562 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) of valuation, sufficient to raise the amount estimated to be required in the annual budget, less the amount estimated to be received from fines, licenses and other sources of revenue providing a General Fund for the General Municipal Expenses: All for the Fiscal Year ending June 30, 2013**

Finance Director Jim Cox stated Council budgets and approves the property taxes in conjunction with the approval of the budget each year, but must wait 14 days before adopting the tax levy. Mr. Cox then stated the new tax rate is .4609 compared to .4538 last year, adding it is a slight increase due to valuations decreasing slightly. Mr. Cox then stated the projected receipts from property taxes is approximately \$224,000 for the upcoming fiscal year compared to \$221,000 in the preceding fiscal year. Mayor King stated this has been the first increase in several years with Vice Mayor McGoffin stating the rate has actually decreased every year for the past 6 or 7 years. Mr. Cox confirmed this, adding the increase amounts to approximately \$4.00 per household. Vice Mayor McGoffin then moved to approve Ordinance 562. Seconded by Councilmember Sacco. Motion passed 7-0.

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 regarding the purchase, sale or lease of real property

Vice Mayor McGoffin moved to enter into Executive Session with the Mayor and Council, City Manager, City Attorney and the City Clerk at 8:07 p.m. Seconded by Councilmember Sacco. Motion passed 7-0.

Council reconvened at 8:13 p.m.

DEPARTMENT REPORTS: None

ADJOURNMENT:

Councilmember Brooks moved to adjourn at 8:13 p.m. Seconded by Vice Mayor McGoffin. Motion passed 7-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk