

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD SEPTEMBER 24, 2018 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 7:02 p.m. with the Pledge of Allegiance. Mayor King then introduced Ron York of the Peace in the Valley Lutheran Church who gave the invocation.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Joe Konrad, Councilmembers Pat Boyle, Larry Dempster, Lupe Diaz, and Levi Garner. Absent was: Councilmember David Lambert.

EMPLOYEE RECOGNITION: None

PROCLAMATION: None

PUBLIC HEARING: None

CALL TO THE PUBLIC:

Elton Bowman, S. Ocotillo Street, Benson, stated the group “Brighten the Path” would be holding another event to pick up trash in Benson on Saturday, September 29th. Mr. Bowman then stated they would like volunteers with pick-up trucks with trailers to help with the event. Mr. Bowman then stated he presented a program to Interim City Manager with suggestions for trying to keep the city clean.

CITY MANAGER REPORT:

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

Tuesday, October 2, 2018 – Planning & Zoning Commission, 6:00 p.m., Community Center
Monday, October 8, 2018 – City Council Meeting, 7:00 p.m., Community Center
Tuesday, October 9, 2018 – Library Advisory Board, 4:00 p.m., City Library
Saturday, October 13 &
Sunday, October 14, 2018 – Benson Butterfield Overland Stage Days & Rodeo
This event includes the following:
• Parade
• Rodeo

Ms. Vivian then stated for a full list of activities, locations and times please see the City’s website and www.bensonbutterfieldrodeo.com

NEW BUSINESS:

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

- 1a. Appointment of Elton Bowman to the Benson Planning & Zoning Commission
- 1b. Resolution 26-2018 of the Mayor and Council of the City of Benson, Arizona, (“City”) approving and authorizing the execution of an Intergovernmental Agreement between the City and the Pomerene School District #64 (“District”) to permit reciprocal use of the buildings and grounds of the City and the District
- 1c. Grant Agreement with the City of Tucson High Intensity Drug Trafficking Area (HIDTA) Program, CFDA Number: 95.001
- 1d. Invoices processed for the period from August 30, 2018 through September 13, 2018

Vice Mayor Konrad stated he would like to remove Item 1a from the Consent Agenda. Council discussed addressing the item after New Business Item 3. Vice Mayor Konrad then moved to approve the remaining Consent Agenda (without Item 1a). Seconded by Councilmember Boyle. Motion passed 6-0.

2. **Recognition of assistance and support from Arizona G&T Cooperative for the City's 4th of July festivities**

Interim City Manager Vicki Vivian stated the 4th of July festivities are hosted by the City but could not happen without the assistance of many others. Ms. Vivian then stated this year was the 15th year that Arizona G&T Cooperatives donated the Audio/Visual (A/V) services for the Benson 4th of July Parade, adding the A/V team consists of James Bujarski and Jay Strickling, who start setting up at 5:30 a.m. and finish setup at 8:30 a.m. Ms. Vivian then stated the equipment used is a sound podium and mixer, eight to ten speakers, three microphones, and related cable and stands. Ms. Vivian then stated once the parade is over, it takes at least two hours to take everything down and store the equipment, adding the volunteers work a full eight-hour day; then noted overall, each 4th of July setup requires between 20 and 22 man-hours of work. Ms. Vivian then stated in addition to this, Mr. Geoff Oldfather, Manager of Communications and Public Relations for Arizona G&T Cooperatives, has been providing emcee services for the parade for 8 years.

Ms. Vivian then stated when the same setup has been used for commercial events; the commercial rate translates to a charge of between \$4,000 and \$5,000 per venue, then added, these employees volunteer their time on the holiday and are not compensated, nor has Arizona G&T Cooperatives ever billed the City. Ms. Vivian then state at this time, the City would like to thank Mr. Oldfather, Mr. Bujarski and Mr. Stickling for their very valued support and service and present them with a plaque in recognition of all they do.

Mayor King presented the plaque to Mr. Geoff Oldfather.

1a. **Consent Agenda – Items Removed:**

1a. Appointment of Elton Bowman to the Benson Planning & Zoning Commission

Vice Mayor Konrad moved to approve Consent Agenda Item 1a. Seconded Councilmember Garner. Motion approved 6-0.

3. **Discussion and possible action regarding Ordinance 593 of the Mayor and Council of the City of Benson, Arizona, amending prior inconsistent ordinances including 559, reducing to five (5) the number of members of the Planning & Zoning Commission**

Interim City Manager Vicki Vivian stated the original proposed ordinance was first discussed at the Council meeting on September 10 when the Mayor asked to place an ordinance on the agenda to address the membership of the Planning & Zoning Commission because of the difficulty in finding volunteers to serve on the Commission, which has led to problems when attempting to hold meetings due to not having a quorum of the Commission in attendance. Ms. Vivian then stated the original proposed ordinance was written in an effort to alleviate or at least minimize that issue, adding the ordinance addressed two issues; first it decreased the number of persons on the Commission from seven (7) to five (5) and second, it broadened the current requirement that members of the Commission reside within the City of Benson by expanding the residency requirement to let Commission members reside within a seven (7) mile radius of the City, so long as that residence was still in Cochise County. Ms. Vivian then stated the Council had several options in addressing the ordinance, including passing it as presented or amending it as chosen by the Council and after a Council discussion and input being received from the Planning & Zoning Chairman, as well as Michelle Johnson, the Planning Technician/GIS, there was a motion to approve the ordinance to reduce the Commission to 5 members with an amendment to not change the residency requirements. Ms. Vivian then stated at that time, the City Attorney told the Council they could also direct Staff to amend the ordinance as stated in the motion and bring it back for consideration. Ms. Vivian stated Council then directed Staff to do so, noting the proposed ordinance has been amended to reflect such and is now before Council for action.

Councilmember Diaz stated he would like to amend Section 3, Line 3, striking out “or about”. City Attorney Gary Cohen stated that language is routinely added by attorneys to cover any ministerial errors should the actual approval date of the ordinance be found wrong, but the Council could amend the ordinance if they chose to do so.

Section 3: Any provision of any Bylaw, City Ordinance or the like that is inconsistent with this ordinance – including but not limited to Ordinance 559 that was passed and adopted on ~~or about~~ September 26, 2011 – is hereby repealed to the extent of the inconsistency.

Councilmember Diaz moved to approve Ordinance 593 with the amendment to strike out “or about” in Section 3, Line 3. Seconded by Vice Mayor Konrad. Motion passed 6-0.

4. **Review of City Finances with emphasis on April and May 2018 financial results, and the City’s financial position at May 31, 2018**

Finance Director Seth Judd stated his presentation would compare monthly numbers from FY 18 to the same month in FY 17. Mr. Judd then stated the April report was in the Council packet, but he would be focusing on May, which included the April figures. Mr. Judd then reviewed the major differences between the 2 years in both revenue and expenses, stating 92% of the fiscal year has passed as of May 31, adding in a perfect world, revenues and expenses would both be at 92%. Mr. Judd then reviewed the General Fund stating revenues are \$5,858,900, which is 74% of the budgeted revenues, adding this is lower than it should be, but the expenses reflect that shortage as well. Mr. Judd then stated one of the major differences was in property taxes, noting the Council voted to increase the property tax levy from 58.38 cents per \$100 of assessed value in FY 17 to 83.93 cents per \$100 of assessed value in FY 18, which resulted in about \$82,000 more in revenue for FY 18. Mr. Judd then stated the City is ahead in sales tax collection for the year in both City and State sales tax, in addition to collecting more franchise tax, but noted that increase was partly due to an audit by SSVEC and a payment from them when they found a previous shortage of franchise tax paid to the City. Mr. Judd then stated there are many revenue lines included in the budget process, so those funds could be spent should they be collected but noted those line items could continue to show little to no income.

Mr. Judd then addressed General Fund Expenditures stated the expenditures are \$4,675,074, which is 59% of the budgeted amount, adding spending was decreased if revenues were not collected. Mr. Judd then stated the line item for miscellaneous expenses are for transfers that were made mid-year from the General Fund to other funds based on the budgeted amounts needed to balance the funds, adding these transfers could increase or decrease based on the yearend amounts of those funds and in some cases, may not be necessary. Mr. Judd then stated as of May 31st, the net position of the General Fund is \$1,183,826.

Mr. Judd then reviewed the Golf Course stating revenues have gone up since last May, adding in FY 18, memberships are included in the Green and Cart fees and have been broken out for the purpose of the presentation. Mr. Judd then stated the revenue for the food and beverage division is pretty much right on track, however, the golf revenue is a little lower than anticipated, but part of that is attributed to being closed about two weeks longer than usual during the year.

Mr. Judd then reviewed Golf Course expenses stating the Operations division is under the anticipated 92% for expenses but has still spent more than the revenue they brought in, adding maintenance is just barely under the anticipated 92%. Mr. Judd then stated food and beverage, although on track with revenues, are over on the expenditure side with the majority of this overage being due to personnel costs in overtime. Mr. Judd then stated the net position of the Golf Course without the contribution in December from the General Fund is \$(261,554). This is slightly above where they were May of 2017.

Mr. Judd then reviewed the other enterprise funds starting with the Gas Fund stating revenues are right around where they should be and they have done a good job of monitoring expenses, adding revenues are 84% and expenditures are 65% of the budgeted amounts. Mr. Judd then stated the net position of the Gas fund is \$201,504, compared to last May when the net position was -\$3,994, noting part of the increase is credited to the rate increase that went into effect in July of 2017. Mr. Judd then stated it is important for the utility funds to be self-sustaining and build a reserve to be able to address infrastructure needs without taking funds from the General Fund. Mr.

Judd then moved to the Water Fund stating in the budget, there was a carry forward balance left from the previous year, which is basically a reserve. Mr. Judd then stated with the carry forward amount, revenues are at 81% for the year and without the carry forward, reserves are at 87% of the budgeted amount. Mr. Judd then stated expenses are at 79% without the contingency reserve amount, which is part of the mentioned carry forward amount. Mr. Judd then stated the net position of the Water Fund as of May 31st is \$58,818 compared to last May, which was \$18,474, noting again, the increase is due to the rate increase being in place.

Mr. Judd then moved to the Wastewater Fund stated revenues are at 85% of the budgeted amount, adding without the previously mentioned carry forward amount, revenues are slightly below 92% of the budgeted amount and spending was adjusted accordingly, and are at 65% of the budget when the contingency is removed. Mr. Judd then stated the net position of the Wastewater Fund is \$166,263 compared to last May which was \$17,668, again citing the rate increase.

Mr. Judd then moved to the Sanitation Fund stated as of May 31st, revenues are at 73% which is below the projected amount, but noted the revenues are based on usage, so if houses and commercial buildings are empty, there is no trash service and no revenue collected. Mr. Judd then stated expenses are at 64% of the budgeted amounts and the net position is \$68,037 compared to last year at this same time which was \$120,659.

Councilmember Boyle asked if the increases are in line with the amount of money needed to build the contingency funds with Mr. Judd stating it is close. Mr. Judd then stated the budget included a professional rate study and Staff will be bringing that to Council in the near future. Interim City Manager Vicki Vivian then addressed the Council stating when the Council reviewed the audited financials, it was pointed out that the Wastewater Fund owed the General Fund either \$600,000 or \$800,000, adding she couldn't recall the amount, but she would like the Council to keep in mind that when enterprise funds are not self-sustaining, they end up "borrowing" money from the General Fund. Ms. Vivian then stated this means there are fewer expenditures and services that can be paid for by the General Fund. Ms. Vivian then stated the utilities are doing well now, but they do still have a debt obligation to the General Fund that hasn't been addressed, adding the Council had a brief discussion on forgiving that debt or having the utility funds pay the General Fund back, but had not made a decision.

DEPARTMENT REPORTS: No comments from Council.

ADJOURNMENT:

Councilmember Boyle moved to adjourn at 7:38 p.m. Seconded by Councilmember Diaz. Motion passed 6-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk