



"The mission of the City of Safford is to make Safford
a great place to live, work, and visit"

**CITY OF SAFFORD - JOINT CITY COUNCIL & PLANNING AND ZONING
COMMISSION
WORK SESSION MINUTES
MONDAY, November 26, 2012 @ 6:00 PM
SAFFORD LIBRARY PROGRAM ROOM - LIBRARY**

COUNCIL PRESENT: Mary Bingham, Vice Mayor; Council Member's Ken Malloque, Gene Seale, Arnold Lopez, James D. Howes, and Richard Ortega.

COUNCIL ABSENT: Wyn "Chris" Gibbs, Mayor

PLANNING AND ZONING COMMISSION PRESENT: Gene Fowler, Chairman; Diane Junion, Vice Chair; and, Commissioners, James F. Moser P.E. and Chad Crockett.

STAFF PRESENT: David Kincaid, City Manager; Sandra Findley, Executive Secretary; Christine Fisher, Personnel Director; John Griffin, Police Chief; Don Knight, Director Management & Budget; Ann Waite, Finance Director; Randy Petty, City Engineer; Eric Buckley, Utilities Director; Leeann McElroy, Library Director; Jenny Howard, Projects Management Specialist; Dustin Welker, Planner/Downtown Manager; Kim Larkey, Information Processing Supervisor; Jaime M. Holguin; and Georgia Luster, City Clerk. Dale Clark, IT Assistant assisted with the audio recording of the meeting.

OTHERS PRESENT: Valerie Buckley, James Bryce, Steve McGaughey, and Kenny McKinney.

- 1. WELCOME AND CALL TO ORDER:** Vice-Mayor Bingham called the meeting to order at 6:00:33 p.m.
- 2. ROLL CALL:** A quorum of both the City Council and the Planning and Zoning Commission were present.
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG:** Vice Mayor Bingham led the Pledge of Allegiance to the flag.
- 4. OPENING PRAYER:** Brother Ken Knowlton offered the opening prayer.
- 5. PROPOSED SUBDIVISION AND ZONING CODE REWRITE:** Review of the

proposed subdivision and zoning code rewrite. Review Chapter 17. Section 17.72 - Section 17.92 (pages 103-158).

City Manager Kincaid stated this is the third meeting of three joint meetings to review the proposed subdivision and zoning code rewrite. A series of public hearings will be held with the Planning and Zoning Commission. Following the public hearings, the proposed revisions will be provided to the Council along with a public hearing before any action is taken. He stated that Dustin Welker and Mr. Turner will compile revisions. He turned the time over to Dustin Welker and Mr. Turner.

Dustin Welker stated **tonight's** discussion will start on Page 104. He asked the Council and Commission to comment on any portion they have questions on. He stated that because Mayor Gibbs is out of town for **tonight's** meeting, the Mayor met with him and provided a few comments.

Pg. 104. Large Scale Developments. He read Section 17.72.010, the purpose of the chapter. He noted Copper Canyon subdivision was developed under a PUD which allowed the developer to propose different lot sizes and different street widths.

Pg. 112. Public verses private streets. The City does not have a lot of private streets within the city. The Development Review Committee recommended the width of a private street shall be 30 ft. to accommodate first responders. Mr. Welker identified the Development Review Committee (representatives from Public Works, Utilities, ADOT, Qwest, School District, anyone impacted by the development). Mr. Welker pointed out any public street development will be constructed according to street standards (50 ft. right-of-way, 36 ft. of pavement, 2 ft. curbs and 4 ft. sidewalk). Do not anticipate allowing private streets in any kind of normal development other than mobile home/RV parks, and possibly townhome development similar to the one on 8th Avenue.

Pg. 113. 17.72.170 Mobile home or (added) Manufactured Home.

Will review Item F. giving consideration to increasing 50 ft. to a street intersection.

Pg. 114. 17.72.180 Mobile Home (added) Or Manufactured home. Stone Willow is an example. Defined as permanent homes.

Pg. 115. 17.72.10 - Travel Trailer Parks

Commissioner Fowler: questioned "H" minimum of two parking spaces shall be provided for each lot. Consider parking at the end of the block.

Pg. 116. C. All one-way roadways shall be at least 12 ft. in width and 2-way roadways at least 26 ft. in width. Typically all parking is off the street.

Re-wrote and included in the zoning section, Section 17.72.140 Group Dwellings and struck Zero Lot Line Development section. Mr. Turner added future zero-lot line development will be accommodated by PUD.

Pg. 120. Community master plan: Development over 200 acres. Minor adjustments.

Pg. 126 Site Plan Review: Defined site plan further. A site plan refers to a commercial development. A stand-alone home is called a plot plan.

Pg. 129 & 130: Defined Geotechnical drainage reports and Traffic Study requirements further.

Pg. 132: Access Standards: Minor revisions.

Pg. 134: Chapter 17.82 Sign Regulations: Dustin Welker explained legislation recently changed sign regulations. Mr. Turner stated most of the changes reflect changes to the zoning ordinance and changes by state law. He touched on Page 139, E - Sign Walkers. The law recently changed requiring cities and towns to allow for sign walker (example: Domino's Pizza).

Pg. 140, E4 - Electronic time and temperature signs: A free standing time and temperature sign shall not exceed 8 feet in height instead of 5 feet. Addresses HB changed sign regulations

Pg. 141, D - Home Occupation: Allows for very small sign identifying the name and occupation of the home occupation.

Pg. 145, H. Electronic Message Displays: Mr. Turner stated the State of Arizona has entered into local land use regulations with the passage of HB 2543 dealing with Billboards; but, it also affects other types of free-standing electronic signs. Reasonable restrictions include a minimum 8 second display so that the

electronic sign does not constantly flash which can be disturbing to drivers.

Will discuss with legal counsel if sign or message will be grandfathered in prior to the passage of the Bill. (sign should be grandfathered in). Also, do regulations comply with light ordinance developed for Mt. Graham Telescopes?

Councilman Ortega: Does regulations address strands of Christmas lights? Will review.

Mr. Turner stated HB 2500 had the biggest impact to the City Code. State law pre-empted cities and towns from regulating political signs within cities and towns rights of way. The new state law allows for a political sign up to 16 sq. ft. to be placed in city rights of ways in residential zoning districts and political signs up to 32 sq. ft. to be placed in rights and ways in commercial and industrial zoning districts.

Commissioner Moser: questioned blocking the visibility of intersections.

Mr. Turner stated those provisions relating to vision triangles in intersection areas will be included in the zoning ordinance.

Chairman Fowler said that about a week ago he attended a Board of Adjustment training that was presented by the League of Arizona Cities and Towns. One thing the presenter (Marana Town Attorney and also teaches at University of Arizona) talked about was Boards of Adjustments. He was adamant that Board of Adjustments not be the City Council. He pointed out a number of cases that may have been solved otherwise.

Commissioner Moser: The Board of Adjustment should not be the Council nor the Planning and Zoning Commission.

Pg. 158 - 17.92.020: Legal procedure

City Manager Kincaid commented that the City is stepping up its enforcement activities regarding the appearance of the City because of complaints of both bodies of the Commission and Council. Additionally, the City is working closely with Jay **Rasco's** group, the Southeast Arizona Cleaning Committee, to help those in violation to correct the problem rather than punishment. Most problems appear to be absentee owners. However, there is a process that we must follow.

Councilman Howes inquired about the appearance of vacant homes (**realtor's** responsibility?).

Jaime Holguin stated that some of the houses are in limbo. Until the bank actually takes charge of homes, there is nothing the City can do.

Dustin Welker outlined the process to follow:

- Public Hearing will be held on January 24th with the Planning and Zoning Commission.
- Draft recommendations addressing unresolved issues will be presenting initially to the Planning and Zoning Commission.
- Sometime in February or March, an approved draft will be presented to the City Council.

Councilman Ortega: Recommends adopting strict regulations in relation to the new marijuana law.

Dustin Welker: Stated he would be glad to review the marijuana ordinance with any of the Council. He noted that the City does not have a lot of vacant buildings, but does have plenty of raw land available to build a structure on. He stated they work very closely with legal counsel regarding provisions of the marijuana ordinance. He thanked everyone for reading and commenting on the Zoning Code rewrite.

At 6:46 p.m. the Joint Meeting was adjourned. Members of the Planning and Zoning Commission left the meeting. A short recess was called.

Vice Mayor Bingham reconvened the meeting at 6:56:10 p.m.

6. **QUARTERLY FINANCIAL UPDATE:** Quarterly update on the City's Financial Situation for July, August and September 2012.

City Manager Kincaid provided a quarterly financial update for the months of July, August and September 2012. He stated the first eight pages are a recap of the budget process indicating where we were and what was approved for FY 2012/2013. He stated the budget books are being finalized and will be provided to the Council at the December 10th Council Meeting.

Page 9 shows first quarter resources and expenditures by fund in General Government only, not utilities. Generally in good shape. Should typically be at 25% through the first quarter. Revenues are lagging one month. Expenditure side - generally in good shape. The bottom line indicates the City is in very good shape on both the revenue and expenditure side.

Page 10, Utilities Summary (Enterprise Funds): There are a couple of concerns, overall,

the landfill and water. Revenues are at 21.4% and 21.27% overall. That number is reflective of the fact that an additional \$161,000 is built into landfill revenues through a rate increase as part of the budget process for a 6 month period. Operating expenses are actually down. At this time we are in the black. On the water side, water rate revenues tend to increase during the hotter months, July, August & September, but because of the water restrictions, water revenues are significantly down from what was expected at this time. Although, expenses were higher than normal during the time of the water restriction. Fortunately, we are under 25% which is a testament to the staff out in the field. Also, he noted that the figure is misleading because major capital costs have not been expended. (significant costs in the terms of the Bonita water line upgrade, debt service and potential grants). Wastewater, Treatment Plant, Electric & Gas funds all seem to be in good shape. Expected water revenues to be in line with electric revenues at 34.46%.

Page 11 - Local Sales Tax Collections - History of 3 months, July thru September. Combined year over year - increase of 10.92% which is very good. Each month of this fiscal year, we have exceeded the revenues of the previous fiscal year. However, we are still a long ways from where we were in the boom years (2007/2008).

Page 12 - FY13 Local Sales Tax Collections (Backup to Page 11) indicating where sales tax comes from. Retail Trade, Bar and Restaurants are up.

Page 13 - Summary of Local City Sales Tax Collections by Category.

7. LANDFILL RATES: Discussion on modification of landfill rates.

City Manager Kincaid referred to a spreadsheet outlining revenue comparisons for the \$10 minimum and raising rates to \$42 per ton. The spreadsheet also shows the amounts paid by the three largest customers; City of Safford, Town of Thatcher and Vista recycling. The 2012/13 budget for the landfill recognizes \$161,000 in additional revenue from rate increases for a 6 month period.

Mr. Kincaid noted that one of the major issues at the landfill is commercial customers are claiming they are residential customers to get the lower rate. (see attached summary)

Change the \$5.00 minimum to \$10.00 minimum based on 9,800 loads
Residential (and commercial claiming to be residential) currently @ \$5 generates \$49,000 for 12 months and \$24,500 for six months.

Commercial (less the 580#) based on 880 loads generates \$3,385 for 12 months and \$1,693 for 6 months.

Change residential \$35.00 Ton instead of \$10.00 based on 4,950 loads would generate \$79,523 for 12 months and \$39,762 for 6 months.

Total revenue generated for 12 months would be \$131,908 and \$65,954 for six months.

Change Tonage to \$42.00 Ton (all customers)

Revenue for 12 months would be \$191,948 and for 6 months, \$95,974.

Increasing the \$5.000 minimum to a \$10.00 minimum and changing the Tonage rate to \$42/Ton for all customers would generate \$323,856 for 12 months. \$161,928 - 6 month rate increase is included in the budget.

Councilman Seale: What would it take to get us on track to pay the landfill closure fees? If we had the closure fee of \$2.5 million today, are we collecting enough to keep up with operational expenses?

Mr. Kincaid said the closure rate is so large that the closure rates would probably exceed the landfill rates. He believes the CAFR shows a liability of \$2.5 million for the closure fee and have collected \$103,000. The closure fee is a large liability that the City will carry for some time. The landfill does not generate enough trash to make the landfill profitable when looking at short-term and long-term liabilities. Bottom line, we **don't** know what it will cost us in the future to operate the landfill. There are other options to consider cutting expenses at the landfill (cutting hours, cutting pickup to one day a week). However, there will be other regulations to follow. The life of the current landfill without going across the wash is about 25-27 years.

Mr. Kincaid stated that Mayor Gibbs suggested charging Safford residents \$35.00 and charging everybody else \$42.00. However, there are several issues that will impact differential rates, such as, how is residential verses non-residential determined?

Mr. Kincaid asked the Council for direction. Do they want staff to develop a plan, a fee schedule, a rate schedule for the landfill, or, is the Council willing to bite the bullet, take the loss at the landfill, and use general government money to subsidize the landfill? Staff is doing everything they can to minimize expenses at the landfill. The concern is using funds from general government to support the landfill if the landfill continues to operate in a deficit. Other general government operations will suffer.

Councilman Ortega asked what a breakeven rate would be. (\$42.00/Ton rate)

Councilman Seale commented that a rate to meet closure fees needs to be determined and we all pay the same amount, or if it's going to be somewhat less than that. The City receives no revenue from anyone once the landfill is closed but the City still has the liability. That's why if we are not going to get anything in the end, we get a little bit more up front so that we can set that aside to help defray some of those costs at the end of the cycle. Another thing, if we have to take money from the general fund to subsidize the landfill, I would rather have it done to subsidize a little bit less on the Safford residents if we charge \$35/ton for Safford, a little bit more for others. I would feel better about taking from general funds to subsidize the people who actually are living here. I really felt like it **wasn't** unfair to charge a little bit more to people outside the City, because in the end, once the landfill is closed, the City is stuck with the closure costs and they have no responsibility.

City Manager Kincaid explained rates based on that scenario. He noted \$47,717 would be subtracted from projected revenues for the 12 month period. If the revenue trend continues the same way as the landfill costs the landfill budget may be at a break even standpoint. In addition, the budget is showing a rental fee from the landfill to the City to fund \$60,000. It is rent that everyone is paying. With that, if rates went to \$42/ton, the trash rate would not increase at this point and time.

Councilman Seale stated his concern is that trash collection fees have already increased (3%) in this last budget. He would hate to raise rates again to cover the extra cost at the landfill.

Vice Mayor Bingham commented that rates would eventually have to be raised. (Yes, for the City to continue operating the landfill)

Councilman Ortega inquired about the closure fees collected from Graham County when the City took over the landfill. Ann Waite believes approximately \$100,000 was collected and went to the general fund. (Will look at the history).

The Council directed staff to draft a residential and non-residential rate structure for the Council to consider at the next meeting.

8. **RESIDENCY POLICY:** Discussion on modifying the residency policy, Section 0600 of the City of Safford Personnel Manual dealing with residency requirements for department heads.

City Manager Kincaid stated based on discussion at the last Council meeting, three draft options in regards to modifying the Residency Policy are provided. He explained the draft options include the language of Graham County rather than Gila Valley/Safford Valley. He explained the three options.

Option #1: The City Manager and all department heads shall reside within Graham County. Also, requires Police Officers reside within a 15 minute response time to the station. Additionally, emergency response personnel assigned to on-call status shall reside within a 30 minute response time was added to all three options. Finally, the last sentence of the Policy was stricken because it can be discriminatory - ~~There shall be no residency requirement for any other employee of the City of Safford. However, in hiring and promotions, preference will be given to residents of the City of Safford.~~

Option #2: The City Manager and all department heads shall reside within the Safford City Limits with the exception that department heads and current employees will live without the city limits prior to the implementation of this resolution.

Option #3: The City Manager and all department heads shall reside within the Safford City limits unless the person desiring to be a Department Head has established primary residency in Graham County. Employment for a position requiring residency may occur prior to residency on the condition that within six months residency will be established.

City Manager Kincaid stated Option #1 is the Option he recommended at the last meeting. He believes Option #1 is the best Option because the best and most qualified person may be hired for the City of Safford. He asked for Council direction so staff may draft a policy to bring back to the Council for consideration.

Councilman Seale referred to Option #3 and recommended adding within the City of Safford in the last sentence. Employment for a position requiring residency **within the Safford City limits** may occur prior to residency on the condition that within six months residency will be established. Secondly, as Mayor Gibbs mentioned, including current employees must be employed for a period of time with the City before being considered for a department head position.

Concern is that as employees retire, an employee being recruited for that position may not have been employed with the City for a certain amount of time.

Councilman Howes clarified that staff and legal counsel has reviewed the drafts and

believes Option #3 is preferable.

Councilman Lopez asked if legal counsel could defend that if someone has some training towards another position that, like I stated in the one meeting that I felt they **weren't** necessarily promised that position. City Manager Kincaid responded that nobody is promised anything.

The Council directed staff to provide all three options to the Council for their consideration at the next meeting. Option #3 will be revised to include the language **within the Safford City limits**

Councilman Howes: Future Meeting: Requested an update and impact regarding the Territorial Agreement with Graham County Co-op which becomes effective December 31, 2012.

9. **ADJOURN:** It was moved by Councilman Howes, seconded by Councilman Lopez, and carried unanimously to adjourn the meeting at 7:54:04 p.m. **MOTION ADOPTED**

APPROVED:

Wyn "Chris" Gibbs, Mayor
City of Safford

ATTEST:

Georgia Luster, MMC
City Clerk

CERTIFICATION

STATE OF ARIZONA)
) ss
County of Graham)

I hereby certify that the foregoing minutes are a true and correct copy of the Council Work Session of the City of Safford, Graham County, Arizona held Tuesday, November 26, 2012, and approved at a Regular Council Meeting on Monday, December 10, 2012.

I further certify the meeting was duly called, held and that a quorum was present.

Dated: December 10, 2012

Georgia Luster, MMC, City Clerk