



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

**CITY OF SAFFORD
COUNCIL WORK SESSION MINUTES/SPECIAL COUNCIL MEETING MINUTES
MONDAY, April 22, 2013 @ 6:00 PM
Safford Library Program Room, 808 S. 7th Avenue, Safford, Arizona**

PRESENT: Wyn “Chris” Gibbs, Mayor; Mary Bingham, Vice Mayor; Council Member’s Gene Seale, Arnold A. Lopez, Kenneth Malloque, James D. Howes, and Richard Ortega (arrived at 6:27 p.m.).

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; Leanne McElroy, Library Director; Jenny Howard, Public Works Director; Dustin Welker, Planner/Downtown Manager; and Georgia Luster, City Clerk. Dale Clark, IT Assistant and Sam Napier, IT Specialist, assisted with the audio/video recording of the meeting.

OTHERS PRESENT: Kim Larkey, Marion Gauna, Glen Orr, Gale Hedges, Randa Owens McKinney, Dan Braatz, and Steve McGaughey.

- 1. WELCOME AND CALL TO ORDER:** Mayor Gibbs welcomed everyone present and called the meeting to order at 6:00:57 p.m.
- 2. ROLL CALL:** A quorum of the Council was present.
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
- 4. OPENING PRAYER:** Dr. Phillip Tutor offered the opening prayer.
- 5. Consider a request to waive fees for the use of tables and chairs for the 75th Anniversary Celebration of Safford Builders Supply.** City Manager Kincaid explained the request to waive fees for this event is before the Council tonight because it is not an approved event by the Council. He stated Randa Owens McKinney will present a statement to the Council and to request the Council to consider waiving fees.

Randa Owens McKinney read a statement to the Council requesting the Council to waive the

fees for the 75th Anniversary Celebration of Safford Builders Supply. She said a luncheon will be held on Friday and a full day of festivities is planned for the public all day Saturday.

It was moved by Vice Mayor Bingham, seconded by Councilman Lopez and carried unanimously to approve waiving fees for the use of tables and chairs for the 75th Anniversary Celebration of Safford Builders Supply.

MOTION ADOPTED

6. Recognize Electric Crew for earning a safety award from American Public Power Association (APPA) for the year 2012 and present a plaque to the department. City Manager Kincaid invited Eric Buckley to come forward to make the presentation.

Eric Buckley, Utilities Director, stated American Public Power Association awards electric utilities across the country in regards to their safety and performance. He recognized the Electric Crew for earning a First Place Safety Award from American Public Power Association (APPA) for the year 2012. He provided a plaque recognizing the Electric Crew consisting of Dan Braatz, Electric Division Manager; Ryan Watson, Danny Nelson, Shane Howard, Chuck Hicks and James Bryce.

City Manager Kincaid shared an article from the Risk Review with the Council regarding a Board of Adjustments. Secondly, he distributed a list of Assumptions built into the current budget of which will be discussed tonight with the Budget discussions.

7. **ADJOURN SPECIAL MEETING AND ENTER COUNCIL WORK SESSION:** Mayor Gibbs adjourned the special council meeting and convened the council work session at 6:12 p.m.

COUNCIL WORK SESSION

8. Review and discussion regarding proposed policy revisions for the Library regarding Loan Periods and Loan Limits.
9. Review and discussion regarding proposed policy revision for the Library regarding interlibrary loans. City Manager Kincaid stated Items 8 & 9 is proposed policy revisions for the Library is just for discussion only tonight.

Leanne McElroy, Library Director explained the proposed policy revisions. There were no questions from the Council. The proposed Library Policy revisions will be provided to the Council at a future meeting for adoption by the Council.

10. Discussion only on water rates and water rate study. City Manager Kincaid reported that conversations continue with the consultant conducting the water rate study. Another draft should be received sometime next week. In addition, he stated the City Clerk is working on an ordinance addressing water conservation enforcement. Currently, enforcement is part of a civil procedure, but through the City Attorney, has researched other municipalities that address enforcement as part of the water bill (it becomes a penalty and not a fine). He stated that he,

Mayor Gibbs and Eric Buckley are continuing to work on water resources. Tomorrow they will meet with BLM and Arizona Department of Water Resources regarding transportation of water across or through BLM properties and to discuss the possibility of exchanging properties adjacent to BLM properties for water sources.

City Manager Kincaid and Eric Buckley attended an Eastern Arizona College Board Meeting last Tuesday. President Bryce read a statement that began with an acknowledgement of the importance of proper usage of water. Following President Bryce's statement David Morse addressed Safford's concern for the area's water situation and expressed personal opinions regarding steps the college should take to ensure the of the watershed. The board unanimously voted to adopt EAC's position as President Bryce presented.

11. BUDGET PRESENTATIONS AND DISCUSSIONS: City Manager Kincaid noted the budgets being reviewed tonight are departmental requests that have gone through a first round of cuts. Departments have reviewed and made some cuts from their wish lists. At this time, we do not know what the complete revenue or expense pictures are. For instance, we still need to review state and local revenues and have not completed revenues on the utility side. Additionally, a complete expense picture is not evident because expenses have not been received such as Graham County IGA's. Budgets being presented tonight will probably change before the adoption of the tentative budget. He noted that the last five years have been extremely difficult and many, many things have been deferred because there was no money. As things continue to be deferred, they become very costly and require a significant amount of work down the road. For example, he referred to the City going out to bond a few years ago to construct new streets. Mr. Kincaid reviewed Assumption Built into Current Budgets (see below):

- A 4% across the board increase for all employees
Total fiscal impact - each 1% costs \$76,802 (General government - \$228,342; utilities - \$78,868, Total of \$307,210)
- The labor Market Study is implemented
Total fiscal impact - General Government - \$106,911; Utilities \$13,785; Total of \$120,696.
- City absorbs the 2.3% rise in health insurance premiums
Total fiscal Impact \$40,000
- Arizona State Retirement System employer contribution goes to 11.54% with a like match for employees. In 12/13 employer contribution rate was 11.14%
- Public Safety Personnel Retirement System employer contribution goes to 40.99% with an employee contribution of 10.35%. In 12/13 employer contribution was 39.74%
- Elected Official Retirement Plan employer contribution goes to 39.62% with an elected contribution of 13.0%. In 12/13 employer contribution rate was 36.44%.

Budget presentations of the following departments were conducted. City Manager Kincaid noted in order to simplify the understanding of the Internal Services process, the Internal Services line has been omitted and will be budgeted departmentally. Motor Pool is not reflected/finalized because an analysis of all classes of vehicles is being done.

- **Council**

FY 12-13 Budget = \$323,200; FY 13-14 Budget = \$299,820; -7.23% change from 11-12 budget. There was a question about the Gila Valley Boys & Girls Club budget. Mr. Kincaid stated the FY 12-13 budget included a one-time \$20,000 payment to help get the Club through the rest of the year. The FY 13-14 budget = 0; Budgeted \$9,600 lease Payment paid to Owens Rental and City will pay utilities on building (\$13,000). Councilman Lopez stated the Boys & Girls Club would like to make a presentation to the Council.

City Manager Kincaid asked the Council if the Council wished to continue paying dues with the National League of Cities and Towns. (No)

City Manager Kincaid noted that staff has been considering “going paperless” by providing I-Pads to the Council to retrieve the Council Agenda and packet and other City information electronically. Going paperless will save paper and several thousands of dollars annually. The Council agreed to pursue going to I-Pads. The expense of I-Pads has been added to the Supplies Budget. Sam Napier provided a brief demonstration utilizing I-Pads.

- **City Clerk**

FY 12-13 Budget = \$229,636; FY 13-14 Budget = \$240,750; 4.84% Change from 12-13 Budget. No significant changes reflected. Elections are not budgeted for FY 2013-2014 but for FY 2014-2015. Last year Legislation mandated all elections to go to Fall Elections by 2014.

- **City Manager**

FY 12-13 Budget = \$256,600; FY 13-14 Budget = \$274,160; 6.84% change from 12-13 Budget. Council dues and subscriptions were reflected in City Manager budget. No significant changes reflected. He noted that all employee benefits will increase because of increases in health insurance and state retirement.

- **Legal Services**

FY 12-13 Budget = \$219,315; FY 13-14 Budget = \$171,510; -21.80% change from 12-13 Budget. Budget covers costs for both, Interim City Attorney (hourly charges), Prosecution Services, and debt service on the Attorney building which will be paid on in FY 13-14. Very satisfied with both services.

- **Engineering**

FY 12-13 Budget = \$738,016; FY 13-14 Budget = \$744,770; 0.92% change from 12-13 Budget. Randy Petty presented the proposed engineering & Project Management budgets. \$15,000 = Capital expense replacing GPS survey pole equipment.

Project Management: FY 12-13 Budget = \$104,919; FY 13-14 Budget = \$89,640;

-14.56% change from 12-13 Budget. Noted Project Management position was filled “in-house” by Hilary Cuenin, because Jenny Howard was promoted to Public Works Director. Randy Petty reviewed Projects with grants awarded or with high probability. He noted the projects were awarded from the State through SEAGO. In addition, he reviewed projects that need Council directive/discussion: Frye Mesa Dam Study, Graveyard Wash FRS (Planning Design), Graveyard Wash FRS (Construction), and Right of way acquisitions (Relation Street).

- **Human Resources**

FY 12-13 Budget = \$224,350; FY 13-14 Budget = \$189,543; -15.51% change from 12-13 Budget. No significant revisions. Unemployment benefits budgeted through Human Resources.

- **Financial Services**

FY 12-13 Budget = \$388,400; FY 13-14 Budget = \$514,980; 32.59% change from 12-13 Budget. Attempting to reorganize Financial Services Division. Personnel salaries and employee benefits increased assuming the Finance & Budget Manager position is filled and will be included in the Financial Services Division rather than the Business Services side. Business Services is the revenue generating side of the Finance Department (customer service, meter reading, etc.). Contract employees (Smartworks Plus) reflect a 4% increase in salary. Professional Services include auditing expense (\$37,500) and banking expenses.

Mr. Kincaid explained the overall increase of the FY 2013-2014 Budget is projected at 6%. He noted that proposed budgets are what departments are asking for and feel they need. However, significant prioritizations will need to be considered prior to the adoption of the tentative budget. He pointed out that many, many things have been deferred because we did not have the money. Although, at the same time, staff must be cognizant that deferred things **don't** bite us with some major expenses within the next year or two. There are several building safety issues (space, customer privacy, etc.) with Customer Services, and other areas. Necessary building modifications are needed to bring the Police Division into compliance are all factored in this budget.

- **Police**

Chief Griffin provided a PowerPoint Presentation. He noted calls are significantly up by 1,200-1,300. Since 2007 the department is short 4-6 additional officers. There is a significant need for more officers, new building, etc. An additional \$150,000 has been included in this budget to make the Police building more useful and to bring into compliance to address state law mandates (such as keeping evidence 100 years). He noted that the area to the east of the existing police building could accommodate a two-story addition that would add an additional 2,000 sq. ft. to the Police Dept. The addition would provide additional office space and evidence storage with walk-in refrigerator/freezer. The interior rehab could be done in-house.

He hopes to receive about 40% of the sale of the airplane that was seized about a year ago. These funds may be applied to the police building addition.

Police Chief & Administration: FY 12-13 Budget = \$575,000; FY 13-14 Budget = \$737,260; 28.22% change from 12-13 Budget. Chief Griffin stated that he will be retiring May 31, 2014. This budget funds the transitioning of the new Chief.

Criminal Investigation: FY 12-13 Budget = \$489,894; FY 13-14 Budget = \$547,140; 11.69% change from 12-13 Budget. Police Sergeant-Detective will also retire May 31, 2014.

Patrol: FY 12-13 Budget = \$1,996,123; FY 13-14 Budget = \$2,285,923; 14.52% change from 12-13 Budget. Reflects additional officer; Overtime increased-Cannot forecast overtime.

Animal Control: FY 12-13 Budget = \$131,856; FY 13-14 Budget = \$136,816; 3.76% change from 12-13 Budget. No significant changes.

Police Grant Division: FY 12-13 Budget = \$435,364; FY 13-14 Budget = \$569,688; 30.85% change from 12-13 Budget. Reviewed grants, training and supplies.

City Manager Kincaid reiterated that staff have reviewed and prioritized. He noted that the first review is to prioritize and stated the budget must match with revenue projections. He again expressed a real concern about deferring maintenance, etc.

12. Review proposed Fiscal Year 2013/2014 Budget Work Session Schedule. The Council reviewed the proposed budget work schedule. Meetings will be held:

- May 20, 2013 Special Work Session: Fire Dept., Magistrate, I.T., Business Services - Information Processing, Citizen Services, Field Services & Materials Management.
- Tuesday, May 28, 2013 Work Session: Library, Planning & Community Development - Planning & Community Development, Building Safety, Recreation Program, Airport; Public Works - Public Works Admin., Building Maintenance, Parks & Cemetery, Sanitation, Golf Course, Streets, Fleet.
- Monday, June 17, 2013 Special Work Session: Utilities - Administration, Landfill, Water, Gas, Waste-water, Water Reclamation, Electric, and Final Summary Review before tentative adoption.

Council suggested an overview of the budget at the June 24th work session.

- Monday, July 8, 2013 Regular Council Meeting: Adopt Tentative Budget.
- Monday, August 5, 2013 Special Council Meeting: Public Hearing on Budget & Property Tax Levy; Adopt Final Budget.

- Monday, August 12, 2013, Regular Council Meeting: Adopt Property Tax Levy.

Mayor Gibbs provided the following announcements:

Substance Abuse Conference: Wednesday

Retirement of John Ratje: Thursday, May 2nd

Cinco de Mayo Celebration: Saturday, May 4th

- 13. ADJOURN:** It was moved by Councilman Ortega, seconded by Vice Mayor Bingham and carried unanimously to adjourn at 7:57:46 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/Special Council Meeting of the Safford City Council, Graham County, Arizona held Monday, April 22, 2013, and approved at a Regular Council Meeting on Monday, May 13, 2013. I further certify the meeting was duly called, held and that a quorum was present.

Dated: May 13, 2013

Georgia Luster, MMC, City Clerk