



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

**CITY OF SAFFORD
COUNCIL MEETING MINUTES
Monday, May 12, 2014 @ 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.

STAFF PRESENT: Horatio Skeete, City Manager; Sandra Findley, Executive Assistant; Ann Waite, Chief Financial Officer; Christine Fisher, Human Resources Director; John Griffin, Police Chief; Leanne McElroy, Library Director; Jenny Howard, Public Works Director; Dustin Welker, Planning & Community Development Director; Don Knight, Director FlexNet Meter Renewal Project; Eric Buckley, Utilities Director; Randy Petty, City Engineer; and Georgia Luster, City Clerk. Dale Clark, who assisted with the audio/video recording of the meeting.

OTHERS PRESENT: Tammy Mayhew, Jeannie & Pastor Johnny Wilson; Clark Bingham, Fire Chief; Erik Swanson, Jon Johnson, Eastern Arizona Courier, and others who did not sign in. Kelly Van Shaar videotaped the meeting.

- 1. WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00:00 p.m.
- 2. ROLL CALL:** A quorum of the Council was present (7).
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
- 4. OPENING PRAYER:** Pastor Johnny Wilson offered the opening prayer.

At this time Fire Chief, Clark Bingham; along with Assistant Chief, Chris Murphy and Captain, Michael Rhodes presented John Griffin, the outgoing Police Chief, with a plaque acknowledging and recognizing him as an honorary member of Safford Fire Department. Fire Chief Bingham stated that Chief Griffin has been a friend of the Fire Department. He supported the fire department and created a culture within his organization to provide support to the fire department.

5. **Recognize Brandon Nite for receiving his Library Practitioner Certification:** Mr. Nite was not present.
6. **Consider appointment of Boyce McBride, to the City of Safford Planning and Zoning Commission for a four-year term.** Mayor Gibbs stated that Mr. McBride was unable to attend tonight. He recommended the Council appoint Mr. McBride to the City of Safford Planning and Zoning Commission.

It was moved by Councilman Howes, seconded by Councilman Malloque and carried unanimously to appoint Boyce McBride to the City of Safford Planning and Zoning Commission for a four-year term.

MOTION ADOPTED

7. **Clint Tregaskas, owner of Snowie AZ, is requesting to place a snow cone trailer in the parking lot to the south of the American Legion building during swimming pool hours this summer.** Dustin Welker, Planning and Community Development Director, stated Snowie AZ is a new startup business. Snowie AZ holds a current business license with the City and has requested to serve snow cones at the swimming pool. The snow cone trailer will be parked in the parking lot to the south of the American Legion building during swimming pool hours and will be removed from the park in the evenings.

It was moved by Vice Mayor Bingham, seconded by Councilman Lopez, and carried unanimously to approve Clint Tregaskas, owner of Snowie AZ, to place a snow cone trailer in the parking lot to the south of the American Legion building during swimming pool hours this summer. **MOTION ADOPTED**

8. **Request by Tammy Lee Mayhew (Owner/Agent), Series 12 Restaurant, License Number 12053013, requesting Interim Permit/New Liquor License for Manor House Restaurant (Business Name) located at 415 East Highway 70, Safford, Arizona, Graham County, 85546. Public Comments may be accepted at this time. Staff is requesting the Council forward this application to the Arizona Department of Liquor Licenses and Control with recommendation for approval.**

It was moved by Councilman Seale, seconded by Councilman Lopez, and carried unanimously to approve recommendation of Interim Permit/New Liquor License, Series 12 Restaurant License (12053013) for the Manor House Restaurant to the Arizona Department of Liquor Licenses and Control. **MOTION ADOPTED**

9. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
10. **CONSENT ITEMS:** The Mayor and City Council may wish to consider approving Items 1 through 11 as Consent Agenda Items.

Reports

- A. 1. April 14, 2014 and April 28, 2014 Council Meeting Minutes

2. Police Report
3. Building Inspection Report
4. Public Works Report
5. Business License Report
6. Library Report
7. Utilities Consumption Report
8. Summary of Projects Planning and Grants Administration
9. Prosecution Report
10. Airport Report for March
11. Expense Report over \$5,000

It was moved by Councilman Ortega, seconded by Councilman Malloque and carried unanimously to approve Items 1 through 11 as Consent Agenda Items.

MOTION ADOPTED

B. Review and consider approving the Purchasing Card Report ending February 20, 2014.

It was moved by Councilman Lopez, seconded by Councilman Howes and carried unanimously to approve the Purchasing Card Report ending February 20, 2014 as published.

MOTION ADOPTED

C. Third Quarter Fiscal Year 2014 Financial Update, July 2013 through March 2014.

Ann Waite, Chief Financial Officer, provided a financial update of Third Quarter Fiscal Year 2014 - July 2013 through March 2014. She explained governmental revenues/expenditures to budget, utility revenues/expenditures to budget, and reviewed local City sales tax collection data.

It was moved by Councilman Lopez, seconded by Councilman Howes, and carried unanimously to approve the third quarter Fiscal Year 2014 financial update. **MOTION ADOPTED**

Ordinances and Resolutions

11. **Second Reading, by Title only, of Ordinance Number 14-006, an Ordinance of the City of Safford, extending and increasing the corporate limits of the City of Safford, Graham County, State of Arizona, pursuant to Arizona Revised Statutes Title 9, Chapter 4, Article 7, by annexing certain territory contiguous to the City of Safford.**

The City Clerk read the Title of Ordinance Number 14-006.

It was moved by Councilman Ortega, seconded by Councilman Lopez, and carried unanimously to approve and adopt Ordinance Number 14-006, by title only, an Ordinance of the City of Safford, extending and increasing the corporate limits of the City of Safford, Graham County, State of Arizona, pursuant to Arizona Revised Statutes Title

9, Chapter 4, Article 7, by annexing certain territory contiguous to the City of Safford.

MOTION ADOPTED

12. Second Reading, by Title only, of Ordinance Number 14-007, an Ordinance of the City of Safford, effectuating a map amendment to the zoning map, a rezone from AR (Agriculture Residential) to I-1 (Light Industrial) on an 8 acre portion of Graham County Parcel Number 102-13-007 as well as a rezone to the remainder of Parcel Number 102-13-007 to C-2 (Highway Commercial). The City Clerk read the Title of Ordinance Number 14-007.

It was moved by Councilman Ortega, seconded by Councilman Lopez, and carried unanimously to approve and adopt Ordinance Number 14-007, by title only, an Ordinance of the City of Safford, effectuating a map amendment to the zoning map, a rezone from AR (Agriculture Residential) to I-1 (Light Industrial) on an 8 acre portion of Graham County Parcel Number 102-13-007 as well as a rezone to the remainder of Parcel Number 102-13-007 to C-2 (Highway Commercial).

MOTION ADOPTED

13. Consider approving an Intergovernmental Agreement between the City of Safford and Graham County for Joint Cooperation to Conduct City of Safford Primary Election to be held August 26, 2014 (and if called) General Election to be held November 4, 2014.

It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to approve an Intergovernmental Agreement between the City of Safford and Graham County for Joint Cooperation to Conduct City of Safford Primary Election to be held August 26, 2014 (and if called) General Election to be held November 4, 2014.

MOTION ADOPTED

14. Fiscal Year 2014-2015 - Budget Presentations: City Council, City Manager, Legal Services, City Clerk, Police and Fire. City Manager Skeete reviewed items on the agenda and restated the process on assumptions made over the last five weeks. He restated the draft tentative budget being presented tonight; discussions will be extended over the two weeks to review all departmental operating expenditures. This budget includes no increase in property tax and as previously discussed, no utility rate increases subject to when another revised rate analysis and study can be done. The budget does include a three percent (3%) step increase for sanitation fees as set by resolution a couple of years ago with the intent to wean the sanitation services from its dependency of the general fund. The increase amounts to about .50 cents per household. He pointed out that even with the small increase in sanitation fees the general fund will still subsidize the sanitation department by about \$116,000 annually. Another significant major change and assumption this budget is in reference to all inter-fund loans. He referred to a previous discussion about the street loan repayment of \$230,000 to the

general fund. For example, \$230,000 can be used for streets once the loan is waived. He is recommending the Council forgive all inter-fund loans because these debts were incurred over five years ago. If the Council concurs he will provide a summary of what the loans were, what they were used for, and the impact between the funds at a future meeting. Additionally, he recommends beginning the preparation of a fund balance policy that will basically set aside between five and ten percent of the City's projected annual revenue into a reserve fund to be authorized and to be spent only in cases of an emergency. It is an industry standard recommended by the Government Finance Officers' Association that all local governments throughout the United States strive to achieve between and five and ten percent emergency fund. He also is recommending that staff over the next five years, build a six-month non-restrictive reserve available for spending when the economy fluctuates for the purpose of smoothing out the impacts of the operations and variations in the economy. He is also recommending creating ninety to one-hundred twenty days reserve of the City's enterprise funds for operating expenses to use during fluctuating economy/emergencies. Also, recommending setting aside approximately \$950,000 for debt service over the next five years. Operating expenses should meet the City's debt obligations. These goals are lofty goals, but he believes these goals can be achieved within five years. Also, recommended in this budget is a five percent (5%) across-the-board base adjustment for employees next fiscal year.

Mayor Gibbs asked the Council to comment in respect to Mr. Skeete's recommendations. There were no comments.

Mr. Skeete explained that the majority of the departmental expenditures for this next fiscal year are lower (about 2%) than the current fiscal year expenditures. The total projected budget this fiscal year is about \$48 million, compared to last fiscal year's adopted budget of \$52 million. Approximately, forty-eight million dollars of last year's \$52 million budget was anticipated grants, expenditures and revenues. Approximately, \$3 million (non-committed) has been appropriated for grants, expenditures and revenues. The Fiscal Year 2014-2015 has been reduced. The proposed budget includes five and one-half new employees (one police officer and patrol, two volunteer fire fighter, one electric division employee, water division employee, and a half time employee for the building department to accommodate the retirement of the building official and will need to recruit an individual to conduct fire inspections. This year's budget also includes \$50,000 set aside for employee education which is an advantage of the Smartworksplus program for succession training to promote staff within the City. The building department has structured an employee for over a year to train for the building official position.

Councilman Lopez inquired about the Smartworksplus contract allowing contract employees to receive the 5% raise.

Councilman Malloque requested staff provide a copy of the Smartworksplus contract to the Council.

Councilman Seale believes the term of the Smartworksplus contract is up this year and believes the terms of the contract may be changed.

Mr. Skeete explained the differences of the initial contract and the second contract.

Lastly, Mr. Skeete explained \$2.5 million of capital improvement projects were cut. All critical water projects, street projects, and park projects remain in the budget and will be done in-house. However, these capital improvement projects will be phased in and scheduled throughout the course of the year when staff can do them accordingly. A revised list will be provided to the Council as the departmental budgets are presented.

Don Knight stated that over the weekend he made some revisions to the packet that was presented to them last Thursday by placing those revisions in their drop box.

Mr. Skeete reviewed the proposed budgets of the City Council, City Manager, and City Attorney for Fiscal Year 2014-2015. (Attached)

City Council: He summarized the budget into three categories: personnel, operational expenses and internal services. Personnel expenses reduced because of a reduction to the elected Officials retirement cost. Operational expenses reduced because the grant from FMI to assist with the downtown **façade** was not renewed and the amount budgeted to the Chamber of Commerce was increased. Finally, Internal Services reduced due to favorable pricing at the time of replacing some existing equipment and some one-time equipment charges last year.

City Manager: Personnel expenses - While retirement costs, employer insurance and base pay adjustment have been adjusted to cover the anticipated increases, the overall cost in this category is down due to the elimination of one retirement insurance subsidy. Operational expenses show an increase over last year mainly due to the addition of a \$10,000 expense line to be used to review Accounting in customer services software as they are approaching the end of life and will need to be replaced. Internal service charges can be attributed to favorable pricing at the time of replacing some existing equipment and some one-time equipment charges last year.

City Attorney: Operational expenses attribute to Professional and outside services. The Mortensen building is paid off so there is no debt service. Added \$2000 for claim expenses.

City Clerk: Georgia Luster presented the proposed budget of the City Clerk. Personnel increase is due to retirement costs, employer insurance and base pay adjustment. Operational expenses increased due to election expense, additional Municode expense, and other misc. changes like increase in postage, etc. Internal

services reduced because of a reduction in computer, printers and copier costs.

Police Chief: John Griffin, Police Chief, presented the proposed budget of the Police Department. Chief Griffin expressed his appreciation for the acknowledgment and recognition given to him from the Fire Department.

Police Chief and Administration:

Personnel reflects the new wage for a new chief, large sick and vacation pay out and a 500 hour overlap for the new chief. The Public Safety retirement has increased this year, along with employer insurance and base pay adjustments. Also reflects one new retirement insurance subsidy. Operational expenses include funding for a Public Safety capital needs study, to address the short and long-term needs of public safety buildings. Reduction in IT charges. Capital expenses attribute to the purchase of storage lockers to help with short term space needs.

Criminal Investigation: Personnel - the Public Safety retirement has increased this year, along with employer insurance and base pay adjustments, and the addition of one new retirement insurance subsidy. Operational expenses reflect a change in reduction in Dues and Subscriptions and moving the costs to Other Expenses, which is annual fees for Celebrite and LEADS Online. Reduction in Internal Services.

Patrol: The Public Safety retirement has increased this year, along with employer insurance and base pay adjustments. With the increase in calls for service over the past several years and based on Community workload based manpower studies in 2007, 2010, and 2013, as presented to the Council in those years, indicate a need for additional manpower. This request is for one additional officer. Anticipate additional costs for Dispatch, Animal Control, and IT contract with Graham County. Extended the life of the fleet, using the Tahoe's, for an average 5 previous to 7-8 years for current vehicles. Training costs reduced due to very tight budget and manpower restraints.

Animal Control: ASRS retirement has increased this year, along with employer insurance and base pay adjustments. Anticipate additional costs for Animal Control Contract with Graham County and reduction in IT.

Police Grant Division: Reduced.

Fire Department: Fire Chief, Clark Bingham presented the propose budget of the Fire Department. While retirement costs, employer insurance and base pay adjustment have been adjusted to cover the anticipated increase the increased cost in personnel is mainly due to the addition of two (2) new firefighters with benefits. (increase from 30 to 32 total firefighters) Operational expenses reflect reduction in Fleet costs due to extending expected life of vehicles and the removal of outside rentals. The reduction in internal services attribute to favorable pricing at the time of replacing existing equipment and

some one-time capital. Upgrade and replacement of equipment moved to supplies.

Mayor Gibbs restated the proposed budget of the Police Department is requesting an additional officer and the proposed budget of the Fire Department is requesting two (2) additional firefighters.

Mr. Skeete reviewed the resources and expenditures of the General Government Summary and Utilities Summary. The proposed budget is a balanced budget. He asked the Council to contact him or the staff if they have any questions about the details of the proposed budget.

Don Knight reviewed the proposed budget schedule:

June 2 adopt Tentative Budget

June 23 adopt Final Budget

July 14 Tax Levy adoption

15. MEETINGS/ ACTIVITIES HELD OR TO BE HELD BY COUNCIL OR CITY STAFF:

Library Meeting

May 16th - SEAGO Meeting to be held in Bylas (Richard Ortega/City Manager Skeete will attend)

May 14th - Meet and Greet "Honors our Veterans" at the Library

May 16th - Veterans Stand Down Event to be held at the Armory

16. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS: NONE

17. ANNOUNCEMENTS:

- Budget Work Session - Monday, May 19, 2014
- Special Council Meeting - Tuesday, May 27, 2014 (Monday, May 26th Memorial Day Holiday)
- Special Council Meeting - Monday, June 2, 2014
- Regular Council Meeting - Monday, June 9, 2014

18. CITIZEN COMMENTS ON NON-AGENDA ITEMS: NONE

19. ADJOURN: It was moved by Councilman Howes, seconded by Vice Mayor Bingham, and carried unanimously to adjourn regular session at 7:52:54 p.m. **MOTION ADOPTED**

APPROVED:

Wyn "Chris" Gibbs, Mayor
City of Safford

ATTEST:

