



AGENDA

6:00 P.M.

SPECIAL CITY COUNCIL MEETING/WORK SESSION

MONDAY, SEPTEMBER 22, 2014

MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM ♦ 808 S 7TH AVENUE, SAFFORD, ARIZONA

*Pursuant to Section 2.04.110 of the Municipal Code, the Council may meet informally in work sessions which shall be open to the general public. **No call to the public shall be scheduled during work sessions.***

- *A copy of agenda background material provided to Council members, with the exception of material relating to possible executive sessions, is available for public inspection at the City Clerk's Office, 717 Main Street;*
- *Monday – Thursday 7:00 a.m. – 6:00 p.m. and on the City's website at: www.cityofsafford.us*
- *The City Council reserves the right to take action upon any item on the agenda.*
- *Members of the City of Safford Council may attend either in person or by telephone conference call. If authorized by a majority vote of the Common Council of the City of Safford, and pursuant to Arizona Revised Statutes, §38-431.03 et seq., the Council may adjourn the meeting at any time and move into Executive Session for consultation with the attorneys of the public body. Executive Session will not be open to the public.*
- *Pursuant to Title II of the Americans with Disabilities Act (ADA), persons with a disability may request reasonable accommodations by contacting City Hall at (928)432-4000, forty-eight (48) hours prior to the meeting.*

- 1. WELCOME AND CALL TO ORDER:** (Reminder: Please turn off cell phones)
- 2. ROLL CALL:**
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs will lead the Pledge of Allegiance to the flag.
- 4. OPENING PRAYER:** Pastor David Chapman will offer the opening prayer.
- 5.** It is recommended the City Council accept the single and highest bid of \$30,120 from JMP Holdings, L.L.C. for City-owned property on 8th Street, Safford, Arizona, Parcel #102-19-077. **INFORMATION/ACTION**
- 6.** Financial Update for Fiscal Year Ending June 2014. **John Nelson INFORMATION/DISCUSSION**
- 7.** Eric Buckley, Utilities Director, will provide a PowerPoint Presentation in regards to natural gas operations and safety conducted by the City of Safford Gas Division. **INFORMATION**
- 8. ADJOURN:** In accordance with Section 2.04.120 of the Municipal Code of the City of Safford, and *Arizona Revised Statutes §§38-431.01 et seq., and 38-431.02 et seq.*, notice is hereby given to the general public that the City of Safford will hold the above stated Special Council Meeting/Work Session open to the public on the date and time specified above at the Safford Library Program Room, 808 South 7th Avenue, Safford, Arizona.

Georgia Luster, MMC, City Clerk

Date Posted: _____



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Dustin Welker, Planning and Community Development Director
SUBJECT: 8th Street Property
DATE: Monday, September 22, 2014 at 6:00 p.m.

Purpose and Recommended Action: Accept the single and highest bid of \$30,120 from JMP Holdings LLC for City-owned property on 8th Street, parcel #102-19-077.

Background: In the April 28th Council meeting staff was directed to pursue the sale of parcel #102-19-077 with the exception of a 10' horizontal strip on the north side of the property. A survey was performed and recorded to split the property and the property was put out to bid on August 11th and closed on September 11th.

Analysis: The property is zoned General Commercial and is 7,560 square feet. The value of Commercial property is difficult to estimate but commercial property is generally in the range of \$1 to \$4 a square foot depending on the location and availability of infrastructure. Our estimate for this property was in the \$2 to \$2.50 range. The bid received for the property is \$3.98 a square foot which we believe is a very good price for the parcel.

DESCRIPTION

ORIGINAL DESCRIPTION FOR APN 102-19-077 PER RECEPTION NO. 2007-06048
 BEGINNING AT A POINT 270 FEET WEST AND 160 FEET NORTH OF THE
 SOUTHEAST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 26 EAST, GILA
 AND SALT RIVER MERIDIAN, GRAHAM COUNTY, ARIZONA;
 THENCE SOUTH, 136 FEET;
 THENCE WEST, 60 FEET;
 THENCE NORTH, 136 FEET;
 THENCE EAST, 60 FEET TO THE POINT OF BEGINNING.

PROPOSED TRACT 1
 BEGINNING AT A POINT 270.00 FEET WEST AND 150.00 FEET NORTH OF THE
 SOUTHEAST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 26 EAST, GILA
 AND SALT RIVER MERIDIAN, GRAHAM COUNTY, ARIZONA;
 THENCE SOUTH, 126.00 FEET;
 THENCE WEST, 60.00 FEET;
 THENCE NORTH, 126.00 FEET;
 THENCE EAST, 60.00 FEET TO THE POINT OF BEGINNING.

SUBJECT PARCEL IS 7,560.00 SQUARE FEET OR 0.174 ACRES MORE OR LESS.

PROPOSED TRACT 2
 BEGINNING AT A POINT 270.00 FEET WEST AND 160.00 FEET NORTH OF THE
 SOUTHEAST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 26 EAST, GILA
 AND SALT RIVER MERIDIAN, GRAHAM COUNTY, ARIZONA;
 THENCE SOUTH, 10.00 FEET;
 THENCE WEST, 60.00 FEET;
 THENCE NORTH, 10.00 FEET;
 THENCE EAST, 60.00 FEET TO THE POINT OF BEGINNING.

SUBJECT PARCEL IS 600.00 SQUARE FEET OR 0.014 ACRES MORE OR LESS.

RECORD OF SURVEY

FOR THE
 CITY OF SAFFORD
 APN 102-19-077
 TRACT OF LAND IN PART OF THE SOUTHEAST QUARTER
 OF THE SOUTHEAST QUARTER
 OF SECTION 7,
 TOWNSHIP 7 SOUTH, RANGE 26 EAST, GILA AND SALT RIVER MERIDIAN,
 GRAHAM COUNTY, ARIZONA

LEGEND

- — — — — PROPERTY LINE
- — — — — PLS SECTION LINE
- — — — — TOP BACK OF CURB
- — — — — EDGE OF PAVEMENT
- — — — — ROAD CENTERLINE
- - - - - DITCH
- ○ ○ ○ ○ FENCE LINE
- ○ ○ ○ ○ ADJOINING PROPERTY
- FOUND MONUMENTS (AS NOTED)
- SET NO.5 REBAR AND PLASTIC CAP MARKED "T. DUPONT RLS 52050" (UNLESS NOTED)

REFERENCES

DOCUMENTS UTILIZED AS A PART OF THIS SURVEY INCLUDE:

- RECEPTION NO. 2001-05454
- RECEPTION NO. 1920-00001
- RECEPTION NO. 2013-04671
- RECEPTION NO. 2007-06048

ALL OF WHICH ARE RECORDS OF GRAHAM COUNTY, ARIZONA

BASIS OF BEARING

BEARS NORTH 90° 00' 00" WEST AND IS ESTABLISHED BETWEEN THE SOUTHEAST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 26 EAST, GILA AND SALT RIVER MERIDIAN, GRAHAM COUNTY, ARIZONA MONUMENTED BY A FOUND BRASS CAP AND THE SOUTH QUARTER CORNER OF SAID SECTION 7 MONUMENTED BY A FOUND BRASS CAP.

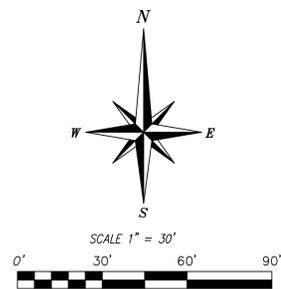
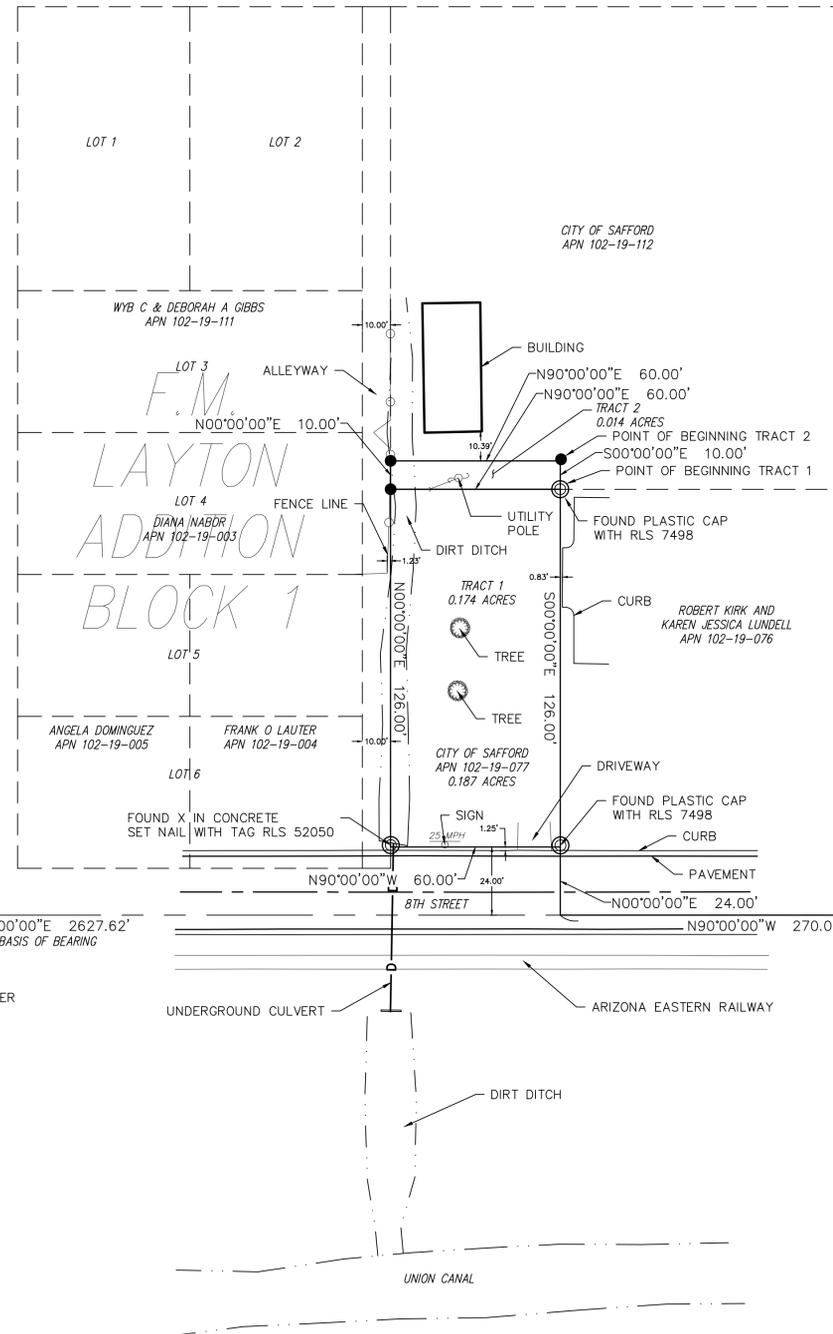
NOTES

- 1) ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES BASED FROM MEASUREMENTS TAKEN DURING A FIELD SURVEY IN JULY 2014.
- 2) THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT
- 3) REVISED STATUTE 32-151. CERTIFY, CERTIFICATION - THE USE OF THE WORD "CERTIFY" OR "CERTIFICATION" BY A PERSON OR FIRM THAT IS REGISTERED OR CERTIFIED BY THE BOARD IS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING FACTS OR FINDINGS THAT ARE THE SUBJECT OF THE CERTIFICATION AND DOES NOT CONSTITUTE AN EXPRESS OR IMPLIED WARRANTY OR GUARANTEE.
- 4) THIS PLAT DOES NOT CONSTITUTE A DIVISION OF LAND. THE PROPOSED TRACTS SHOWN HEREON REPRESENT THE OWNERS PROPOSED LAND DIVISIONS OF APN 102-19-077. THE OWNER WILL NEED TO RECORD A PROPERTY CONVEYANCE FOR EACH TRACT AND FOLLOW THE APPLICABLE RULES AND REGULATIONS OF THE STATE OF ARIZONA, AND THE LOCAL GOVERNING BODY TO EFFECT THE DIVISION OF LAND SHOWN HEREON.

CERTIFICATION

I, Thomas M. Dupont, a Registered Professional Land Surveyor in the State of Arizona, affirm that this plat and the survey from which it is based were made under my direction.

Thomas M. Dupont 7-14-2014
 Thomas M. Dupont, AZ., R.L.S. 52050 Date



Rev #	Date	Description	Checked By

Client: CITY OF SAFFORD, AZ

SMA
 Souder, Miller & Associates
 500 West Main Street
 Safford, AZ 85546
 Phone (928) 228-9141 Toll-free (866) 428-9141 Fax (928) 228-2321
 Serving the Southwest & Rocky Mountains
 Albuquerque, Farmington, Las Cruces, Roswell, Santa Fe, NM
 Coconino, Grand Junction, CO, Safford, AZ, Mohave, UT, El Paso, TX

Town: SAFFORD, AZ

RECORD OF SURVEY
 CITY OF SAFFORD
 APN 102-19-077

REGISTERED LAND SURVEYOR
 CERTIFICATE TO
 52050
 THOMAS M. DUPONT
 Date Signed: 7-14-2014
 ARIZONA S.A.
 Expires: 7-31-2017

THIS DRAWING IS INCOMPLETE AND NOT TO BE USED FOR CONSTRUCTION UNLESS IT IS STAMPED, SIGNED AND DATED

Designed	Drawn	Checked
JPC	JPC	TMD
Date:	7/14/2014	
Scale:	Horiz: 1" = 30'	
	Vert:	
Project No:	2723257	
Sheet:	1 OF 1	

Bid Offering

8th Street Property
Property between 8th Ave. and 9th Ave.
Parcel #102-19-077
Safford, Arizona 85546

Dollar Amount of Bid - \$ 30,120

THE PROPERTY WILL BE SOLD "AS-IS" WITH NO WARRANTIES OF ANY KIND.

Should you be the successful bidder, and later decide you do not want the property, cannot obtain financing, or for whatever reason, have not executed an Agreement of Sale, your 10% deposit will be forfeited to the City.

In compliance with the Invitation to Bid and subject to the terms and conditions hereof, the undersigned offers and agrees, if this bid is accepted, to purchase the property described in this Invitation to Bid at the bid price indicated above.

DATE 9/9/2014

I. For Corporations or Partnerships:

ATTEST:



Signature of Authorized Corporate Officer or Managing Partner

Mark E. Palmer

Name

Owner / Statutory Agent

Title

928-965-5378

Cell Phone

JMP Holdings LLC

Corporation or Partnership Name

810 W 8th Street

Address

Safford, AZ 85546

Address

928-428-6161

Work Phone

II. For Individuals:

Bidder's Name

Home, Work or Cell Phone

Signature of Bidder

Address



FORMAL BID OPENING REPORT

Project: **8th Street Property Bid**

Courier Publish: August 13, 16, 20 27 and September 6, 2014

Bid Opening Date: Thursday, September 11, 2014 at 5:00 p.m.

Pre-Bid Conference:

Dustin Welker, Planning and Community Development Director

NAME OF BIDDER	DATE/TIME BID RECEIVED	BID AMOUNT	COMMENTS
1. JMP Holding LLC	Sept 9, 2014 @ 10:20AM	\$30,120.00	
2.			
3.			
4.			
5.			
6.			
7.			

Signed: *A. Gusten*

Date: *Sept. 11, 2014*

Signature of those present:

Dustin Welker

Jim Palmer

Mayor Gibbs

Horatio Skeete



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: John Nelson
SUBJECT: Financial Results FY 2014
DATE: Monday, September 22, 2014 at 6:00 p.m.

Purpose and Recommended Action: No Formal Action required.

Background: Attached are Operating Results for the City of Safford for Fiscal Year July 1, 2013 to June 30, 2014. In addition to the Result of Operations is Recommended Reserves for consideration by the Council.

Analysis:

The City of Safford completed FY 2014 with the following gains from operations:

General Fund	\$1,324,940
HURF/Street Reserve	\$ 233,074
Electric Services	\$ 836,797
Waste Water Services	\$ 289,168
Gas Services	\$ 289,900
Landfill	\$ 296,170

Water Services had a loss from operations of \$ 446,395 due to planned capital expenditures.

**GENERAL FUND
SUMMARY
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)**

	<u>ACTUAL</u>	<u>BUDGET</u>	FAVORABLE (UNFAVORABLE)
Fund Balance Carry Forward from FY 2013	<u>1,821,498</u>	<u>1,900,000</u>	<u>(78,502)</u>
Revenues			
Taxes	7,899,600	6,243,502	1,656,098
State Shared	2,367,926	2,359,112	8,814
Other Governments Shared	380,182	380,183	(1)
Sanitation Fees	1,064,191	1,053,000	11,191
Internal Charges	1,008,216	1,032,371	(24,155)
Other	<u>886,579</u>	<u>2,365,471</u>	<u>(1,478,892)</u>
TOTAL REVENUE	<u>13,606,694</u>	<u>13,433,639</u>	<u>173,055</u>
Expenditures			
Elected & Appointed Officials	1,131,217	1,215,293	84,076
Support Services	690,499	820,127	129,628
Public Safety	4,487,316	5,239,845	752,529
Community Services	3,188,636	3,712,368	523,732
Sanitation	<u>1,107,507</u>	<u>1,177,262</u>	<u>69,755</u>
TOTAL EXPENDITURES	<u>10,605,175</u>	<u>12,164,895</u>	<u>1,559,720</u>
Transfer Out	<u>(1,676,579)</u>	<u>(2,022,950)</u>	<u>346,371</u>
Gain (Loss) from Operations	<u>1,324,940</u>	<u>(754,206)</u>	<u>2,079,146</u>
Fund Balance Carry Forward to FY 2015	<u><u>3,146,438</u></u>	<u><u>1,145,794</u></u>	<u><u>2,000,644</u></u>

**GENERAL FUND
REVENUE
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)**

	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)
TAXES			
City Sales & Use tax	6,342,491	4,834,016	1,508,475
Bed Tax	418,907	270,000	148,907
General Property Tax	228,994	230,486	(1,492)
Franchise Tax	71,218	75,000	(3,782)
Utility in lieu of Franchise Tax	837,990	834,000	3,990
Total Taxes	7,899,600	6,243,502	1,656,098
STATE SHARED REVENUE			
State Shared Sales Tax	832,651	826,575	6,076
State Shared Income Tax	1,066,252	1,067,230	(978)
Auto Lieu	469,023	465,307	3,716
Total State Shared revenue	2,367,926	2,359,112	8,814
Other Governments Shared			
Graham County Library Support	32,400	32,400	-
Fire District support	347,782	347,783	(1)
Total Other Government Shared	380,182	380,183	(1)
Other Revenues			
Licenses & permits	39,422	65,000	(25,578)
Federal Grants	-	533,783	(533,783)
Federal police Grants	215,708	604,688	(388,980)
Cemetery Charges	27,145	24,000	3,145
Rec Fees	54,664	54,500	164
library Projects	196,487	392,000	(195,513)
Airport	118,828	135,000	(16,172)
Fines	65,576	64,000	1,576
Interest income	5,481	7,500	(2,019)
Rental income	123,071	125,000	(1,929)
Other	40,197	130,000	(89,803)
Operating trans in	-	230,000	(230,000)
Total Other Revenues	886,579	2,365,471	(1,478,892)
Total Sanitation fees	1,064,191	1,053,000	11,191
Total internal Charges	1,008,216	1,032,371	(24,155)
Total revenue	13,606,694	13,433,639	173,055

**GENERAL FUND
EXPENDITURES
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Elected & Appointed Officials			
City Council	486,199	488,885	2,686
City Manager	247,817	294,735	46,918
City Attorney	143,341	171,510	28,169
City Clerk	<u>253,860</u>	<u>260,163</u>	<u>6,303</u>
Total Elected & Appointed Officials	<u>1,131,217</u>	<u>1,215,293</u>	<u>84,076</u>
Support Services			
Human Resources & IT	190,998	228,369	37,371
Financial Services	<u>499,501</u>	<u>591,758</u>	<u>92,257</u>
Total Support Services	<u>690,499</u>	<u>820,127</u>	<u>129,628</u>
Public Safety			
Police	3,555,536	4,188,206	632,670
Municipal Court	223,975	254,008	30,033
Fire Department	575,115	658,879	83,764
Animal Control	<u>132,690</u>	<u>138,752</u>	<u>6,062</u>
Total Public Safety	<u>4,487,316</u>	<u>5,239,845</u>	<u>752,529</u>
Community Services			
Planning & Community Deve.	406,748	475,790	69,042
Building Safety	90,396	134,995	44,599
Library Services	759,183	1,000,485	241,302
Recreational Programs	120,235	133,971	13,736
Parks	534,554	588,825	54,271
Public Works	884,023	970,741	86,718
Airport	181,652	202,261	20,609
Golf Course Management	<u>211,845</u>	<u>205,300</u>	<u>(6,545)</u>
Total Community Services	<u>3,188,636</u>	<u>3,712,368</u>	<u>523,732</u>
Total Sanitation	<u>1,107,507</u>	<u>1,177,262</u>	<u>69,755</u>
TOTAL EXPENDITURES	<u><u>10,605,175</u></u>	<u><u>12,164,895</u></u>	<u><u>1,559,720</u></u>

**HURF & STREET RESERVE
SUMMARY
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Fund Balance Carry Forward from FY 2013	1,064,175	-	1,064,175
Sales Tax - Streets	1,177,589	1,331,742	(154,153)
Auto Lieu	469,023	465,307	3,716
HURF Revenue	690,409	683,031	7,378
Street Patch and Other Revenues	154,924	254,100	(99,176)
Total revenue	<u>2,491,945</u>	<u>2,734,180</u>	<u>(242,235)</u>
Operations	1,254,347	1,583,201	328,854
Capital Outlay	239,688	384,255	144,567
Debt Service	764,836	764,836	-
	<u>2,258,871</u>	<u>2,732,292</u>	<u>473,421</u>
Gain (Loss) from Operations	<u>233,074</u>	<u>1,888</u>	<u>231,186</u>
Fund Balance Carry Forward to FY 2015	<u><u>1,297,249</u></u>	<u><u>1,888</u></u>	<u><u>1,295,361</u></u>

CITY OF SAFFORD, ARIZONA
ENTERPRISE FUNDS
SUMMARY
FISCAL YEAR JULY 1, 2013 to JUNE 30,2014
(Cash Basis - Unaudited)

	<u>Electric Services</u>	<u>Water Service</u>	<u>Water Development</u>	<u>Waste Water Services</u>	<u>Gas Services</u>	<u>Landfill</u>	<u>Total (Info. Only)</u>
Fund Balance Carry Forward from FY 2013	<u>7,784,528</u>	<u>1,484,237</u>	<u>1,089,308</u>	<u>2,213,215</u>	<u>1,307,948</u>	<u>315,228</u>	<u>14,194,464</u>
Revenue	8,980,736	6,609,591	247,596	2,445,026	2,713,005	1,340,207	22,336,161
Operating Expenses	<u>7,439,576</u>	<u>4,230,244</u>	<u>-</u>	<u>1,885,018</u>	<u>2,372,148</u>	<u>982,125</u>	<u>16,909,111</u>
Operating Income	1,541,160	2,379,347	247,596	560,008	340,857	358,082	5,427,050
Non operating Expenses	<u>704,363</u>	<u>2,825,742</u>	<u>-</u>	<u>270,840</u>	<u>50,957</u>	<u>61,912</u>	<u>3,913,814</u>
Gain (Loss) From Operations	<u>836,797</u>	<u>(446,395)</u>	<u>247,596</u>	<u>289,168</u>	<u>289,900</u>	<u>296,170</u>	<u>1,513,236</u>
Fund Balance Carry Forward to FY 2015	<u><u>8,621,325</u></u>	<u><u>1,037,842</u></u>	<u><u>1,336,904</u></u>	<u><u>2,502,383</u></u>	<u><u>1,597,848</u></u>	<u><u>611,398</u></u>	<u><u>15,707,700</u></u>

CITY OF SAFFORD, ARIZONA
ELECTRIC SERVICES
SUMMARY
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Operating Revenues			
Rate revenue	8,952,960	9,300,000	(347,040)
Other revenue	<u>27,776</u>	<u>70,000</u>	<u>(42,224)</u>
Total Revenue	<u>8,980,736</u>	<u>9,370,000</u>	<u>(389,264)</u>
Operating Expenses			
Personnel	524,348	576,120	51,772
Operations	2,053,490	1,848,454	(205,036)
Commodities	4,861,738	4,300,000	(561,738)
Total Operating	<u>7,439,576</u>	<u>6,724,574</u>	<u>(715,002)</u>
Operating Income Loss	<u>1,541,160</u>	<u>2,645,426</u>	<u>(1,104,266)</u>
Non Operating Expenses			
Debt Service	243,368	243,369	1
Capital Expenses	460,995	1,006,000	545,005
Total Non operating	<u>704,363</u>	<u>1,249,369</u>	<u>545,006</u>
Gain (loss) from Operations	<u><u>836,797</u></u>	<u><u>1,396,057</u></u>	<u><u>(559,260)</u></u>

CITY OF SAFFORD, ARIZONA
WATER SERVICES
SUMMARY
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Operating Revenues			
Rate revenue	5,382,001	5,413,600	(31,599)
Federal Grants	1,117,805	3,370,000	(2,252,195)
Other revenue	109,785	100,000	9,785
Total Revenue	<u>6,609,591</u>	<u>8,883,600</u>	<u>(2,274,009)</u>
Operating Expenses			
Personnel	892,788	891,490	(1,298)
Operations	3,337,456	3,018,075	(319,381)
Total Operating	<u>4,230,244</u>	<u>3,909,565</u>	<u>(320,679)</u>
Operating Income Loss	<u>2,379,347</u>	<u>4,974,035</u>	<u>(2,594,688)</u>
Non Operating Expenses			
Debt Service	772,054	772,054	-
Capital Expenses	2,053,688	5,445,530	3,391,842
Total Non operating	<u>2,825,742</u>	<u>6,217,584</u>	<u>3,391,842</u>
Gain (loss) from Operations	<u>(446,395)</u>	<u>(1,243,549)</u>	<u>797,154</u>

CITY OF SAFFORD, ARIZONA
WASTEWATER SERVICES
SUMMARY
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Operating Revenues			
Rate revenue	2,436,362	2,427,500	8,862
Federal Grants	-	1,400,000	(1,400,000)
Other revenue	8,664	20,000	(11,336)
Total Revenue	<u>2,445,026</u>	<u>3,847,500</u>	<u>(1,402,474)</u>
Operating Expenses			
Personnel	474,876	495,170	20,294
Operations	1,410,142	1,539,083	128,941
Total Operating	<u>1,885,018</u>	<u>2,034,253</u>	<u>149,235</u>
Operating Income Loss	<u>560,008</u>	<u>1,813,247</u>	<u>(1,253,239)</u>
Non Operating Expenses			
Debt Service	137,941	137,950	9
Capital Expenses	132,899	385,500	252,601
Total Non operating	<u>270,840</u>	<u>523,450</u>	<u>252,610</u>
Gain (loss) from Operations	<u><u>289,168</u></u>	<u><u>1,289,797</u></u>	<u><u>(1,000,629)</u></u>

CITY OF SAFFORD, ARIZONA
GAS SERVICES
SUMMARY
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Operating Revenues			
Rate revenue	2,690,140	3,039,729	(349,589)
Other revenue	<u>22,865</u>	<u>-</u>	<u>22,865</u>
Total Revenue	<u>2,713,005</u>	<u>3,039,729</u>	<u>(326,724)</u>
Operating Expenses			
Personnel	471,637	468,710	(2,927)
Operations	966,330	1,049,960	83,630
Commodities	<u>934,181</u>	<u>1,165,600</u>	<u>231,419</u>
Total Operating	<u>2,372,148</u>	<u>2,684,270</u>	<u>312,122</u>
Operating Income Loss	<u>340,857</u>	<u>355,459</u>	<u>(14,602)</u>
Non Operating Expenses			
Debt Service			
Capital Expenses	<u>50,957</u>	<u>223,000</u>	<u>172,043</u>
Total Non operating	<u>50,957</u>	<u>223,000</u>	<u>172,043</u>
Gain (loss) from Operations	<u><u>289,900</u></u>	<u><u>132,459</u></u>	<u><u>157,441</u></u>

CITY OF SAFFORD, ARIZONA
LANDFILL
SUMMARY
COMPARISON OF ACTUAL TO BUDGET
FISCAL YEAR JULY 1,2013 to JUNE 30, 2014
(Cash Basis - Unaudited)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAVORABLE (UNFAVORABLE)</u>
Operating Revenues			
Landfill Revenue	1,278,662	1,175,000	103,662
Landfill Closure Set Aside	61,162	60,000	
Other	383	-	383
Total Revenue	<u>1,340,207</u>	<u>1,235,000</u>	<u>105,207</u>
Operating Expenses			
Personnel	224,762	240,350	15,588
Operations	757,363	861,684	104,321
Total Operating	<u>982,125</u>	<u>1,102,034</u>	<u>119,909</u>
Operating Income Loss	<u>358,082</u>	<u>132,966</u>	<u>225,116</u>
Non Operating Expenses			
Debt Service	-	-	-
Capital Expenses	61,912	63,000	1,088
Total Non operating	<u>61,912</u>	<u>63,000</u>	<u>1,088</u>
Gain (loss) from Operations	<u><u>296,170</u></u>	<u><u>69,966</u></u>	<u><u>226,204</u></u>

CITY OF SAFFORD
RECOMMENDED RESEVES COMPARED TO ACTUAL
JUNE 30, 2014
(Cash Basis - Unaudited)

	<u>BUDGET FY 2015</u>	<u>RECOMMENDED RESERVE POLICY</u>	<u>RECOMMENDED RESERVE</u>	<u>CURRENT RESERVE</u>	<u>OVER (UNDER) FUNDED</u>
General Fund	12,376,498	6 months	6,188,249	3,146,438	(3,041,811)
HURF & Streets (Deferred Maintenance = \$8 to \$1 Cost Factor)	1,822,675	9 months	1,367,006	1,297,249	(69,757)
Enterprise Funds (9 month reserve assumes Infrastructure currently adequate, and 5 year CIP funded)					
Electric	8,790,739	9 months	6,593,054	5,621,325 (1)	(971,729)
Water	6,382,876	9 months	4,787,157	1,037,842	(3,749,315)
Wastewater	2,792,690	9 months	2,094,518	2,502,383	407,866
Gas	3,155,955	9 months	2,366,966	1,597,848	(769,118)
Landfill (operations Only)	<u>1,168,765</u>	6 months	<u>584,383</u>	<u>611,398</u>	<u>27,016</u>
Total (Informational Only)	<u><u>36,490,198</u></u>		<u><u>23,981,333</u></u>	<u><u>15,814,483</u></u>	<u><u>(8,166,850)</u></u>

OTHER RESERVES & FUND BALANCES:

Landfill Closure	6,791,000	204,653	(6,586,347)
Wastewater Development		340,000	
Water Development		1,336,000	

(1) Reserve reduced by \$3 m for current contract commitment

GFOA recommends that governments establish a **formal policy on the level of unrestricted fund balance** that should be maintained in the general fund.³ Such a guideline should be set by the appropriate policy body and should provide both a temporal framework and specific plans for increasing or decreasing the level of unrestricted fund balance, if it is inconsistent with that policy.⁴

The adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's own specific circumstances. Nevertheless, GFOA recommends, **at a minimum**, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of **no less than two months** of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time.

In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

- The **predictability of its revenues and the volatility of its expenditures** (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
- Its **perceived exposure** to significant one-time outlays (e.g., disasters, immediate capital needs, **state budget cuts**);
- **The potential drain upon general fund resources from other funds** as well as the availability of resources in other funds (i.e., deficits in other funds may require that a higher level of unrestricted fund balance be maintained in the general fund, just as, the availability of resources in other funds may reduce the amount of unrestricted fund balance needed in the general fund);⁷



CITY COUNCIL COMMUNICATION

TO: Mayor and City Council
FROM: Eric Buckley, Utility Director
SUBJECT: Natural Gas Liaison Presentation
DATE: Monday, September 22, 2014 at 6:00 p.m.

Purpose and Recommended Action: As per Federal Pipeline Safety Regulation 192.615 (c)(2), all Local Distribution Companies (LDC's) are required to establish and maintain liaison with the appropriate fire, police and other public officials. No action is required.

Background: Every three years, a presentation is made to all of the sitting elected officials, fire and police authorities to ensure that a liaison is maintained and communication is clear in regards to natural gas operations and safety conducted by the City of Safford Gas Division. Included will be segments on general gas safety concerns, gas emergency contacts and chain of command protocols, Blue Stake notification and other general information.

Analysis: Information only.

City of Safford

2014

Natural Gas Liaison Meeting



Purpose of Liaison Meeting



- Federal Pipeline Safety Regulation
192.615(c)(2)
- “Establishing and maintaining liaison with appropriate fire, police and other public officials.”
 - “Acquaint the officials with the operators ability in responding to a gas pipeline emergency.”

Key City Personnel



- Horatio Skeete, City Manager
- Joe Brugman – Chief of Police
- Clark Bingham – Fire Chief
- Eric Buckley – Utility Director
- Kevin Porter – Gas Division Manager
- Justin Burnett – Gas Compliance
- April Johnson – Administrative Assistant

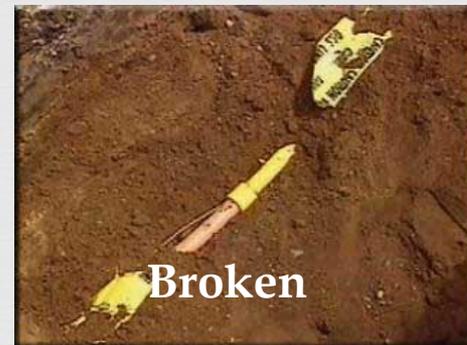
Protect Life First Then Property



San Bruno, CA - 2010

Examples of Natural Gas Emergencies

- Main or service line rupture. Damage from construction or excavations.
- Vehicular damage to meter sets/risers.
- Vandalism/Terrorism.
- Natural disasters.



Other types of Natural Gas Emergencies



- Carbon Monoxide.
- Odor Complaints.
- High Gas Pressure.
- Low Gas Pressure.
- High Bill Complaints. High Use.
- Low Use Complaint.



Main or Service Line Damage

- Third party dig ins are the number one cause of damage.



Main or Service Line Damage Procedure



- If a gas main or service line, either steel or polyethylene, is hit or nicked, please contact the City for inspection to prevent a potentially dangerous incident.



- If the integrity of the pipe is compromised, the City will dispatch a crew to repair the pipe. This will reduce the potential of system failure, helping protect life and property.

Emergency Chain-of-Command



- Gas Utility Worker responding to the initial call.
- Gas Division Manager or Designee.
- Utility Director



- The gas crewman responding to the call can relinquish command upon arrival of above supervisors.
- In the event of a fire, the Fire Department would assume command.

Sometimes we need help!



City Agency Assistance



- Safford Fire Department
 - Safford Police Department
 - Public Works Department
-
- In the event of a severe incident, City Hall and/or the Mesa Yard Office Complex will assist with answering phones, dispatching additional resources, contacting media, etc.



The City Gas crews will remain on site and secure the area until it is safe.



How to Recognize a Natural Gas Leak and What to Do



In accordance with CFR 192.616 - Public Awareness

Natural Gas is odorless. Mercaptan is added giving it the distinctive “rotten egg” smell



Yuck!



What to do if you smell natural gas or suspect a leak inside a building



- Immediately leave the building.
- Make sure everyone gets out with you.
- DO NOT turn anything off or on, including light switches, televisions, garage doors openers, etc.
- DO NOT USE YOUR TELEPHONE OR CELL PHONE TO CALL FOR HELP.
- LEAVE EVERYTHING AS IS.

Contact the City from a remote location, such as the neighbors house at the following numbers:



- 911 or Police Department at 432-4100
- City Hall 7:00 am to 6:00 pm at 432-4000
- Utilities Office at 432-4200

- Then:
 - Meet the gas technician outside, in front of the building.
 - Do not leave the doors or windows open to vent the odor.
 - You will be notified when it is safe to return. If any leaks are discovered the technician will notify you of the location.

What to do if you smell natural gas or suspect a leak outside



- Contact the City from a remote location, such as a neighbors house at the following numbers:
- 911 or Police Dept. at 432-4100
- City Hall at 432-4000
- Utilities Office at 432-4200
- Keep everyone away from the suspected leak area until a gas technician arrives.
- The technician will locate the leak and will notify you of the location if applicable.

Arizona Blue Stake Law



- Before you dig, please call the following number:
 - 1-800-782-5348 (1-800-STAKE-IT)
 - OR 811
- IT'S A FREE CALL

Blue Stake Color Code



- White – Proposed excavation.
- Red – Electric power distribution or transmission lines.
- Yellow – Gas or oil product distribution and transportation; dangerous materials.
- Orange – Telephone and cable systems, fiber optic communications.
- Pink – Temporary survey markings.
- Blue – Potable water systems.
- Green – Sanitary sewer, storm or drainage systems.
- Purple – Reclaimed or irrigation water.

Call two (2)
business days
before digging

Blue Stake markings
are valid for fifteen
(15) business days



2008/01/02 13:22



07/12/2011

When digging within 2 feet of
marked lines, continue in a safe
and prudent manner with hand
tools such as a shovel to
prevent utility line damage.

Public Safety is our #1 priority



- The City of Safford conducts annual leak surveys of the gas system.
- Meter readers also visually inspect meters each month.
- Each gas crew member is extensively trained for maintenance and repair of the system.



Safford Gas System Facts



- Safford's gas system contains:
- 3,919 service lines.
- 71 miles of gas pipe.
- Last year, crews repaired 12 leaks. Of those, 9 were caused by third party dig ins.
- Unaccounted for gas for 2013: 3.3%

We want to avoid this!



THANK YOU!



07/12/2011