



**CITY OF SAFFORD • CITY COUNCIL MEETING/WORK SESSION • MONDAY, FEBRUARY 8, 2021 at 6:00 p.m.**  
**MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM • 808 S. 7<sup>TH</sup> AVE SAFFORD, ARIZONA**  
**“The mission of the City of Safford is to make Safford a great place to live, work, and visit”**

1. **WELCOME AND CALL TO ORDER:** Mayor Kouts called the meeting to order at 6:00 pm.
2. **ROLL CALL:** A quorum of the Council was present (6)

**COUNCIL PRESENT:** Jason Kouts, Mayor; Richard Ortega, Vice Mayor; Councilmembers Gene Seale; Arnold Lopez; Andazola; and Brad Hemphill

**COUNCIL ABSENT:** Councilmembers Steve McGaughey

**STAFF PRESENT:** John Cassella, City Manager; Glen Orr, Police Chief; Brian Avila, Police Captain; Lance Henrie, Public Works Director/City Engineer; Susan Anderson, Planning and Community Development Director; Alma Valles, Finance Officer; Victoria Silva, Library Director; Sam Napier, IT Director; Tamara Webster, City Clerk; Lydia Newkirk, Human Resources Officer; Matthew Hoshal, Executive Assistant to the City Manager; Morgan Seale, Water Division Supervisor; Dan Braatz, Electric Division Supervisor; Raymond Osornio, Gas Division Supervisor; and Matt Platt, IT Specialist.

**OTHERS PRESENT:** Robert C. Hernandez, Deborah Hernandez, Adam O’Doherty, Vance Bryce, Kip Kempton, Jay Wright, Anastasia Seaman, Paul R. David, and others that did not sign in.

3. **PLEDGE OF ALLEGIANCE:** Councilman Andazola led the Pledge of Allegiance.
4. **OPENING PRAYER:** Councilman Seale offered the opening prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** None
6. **CITIZEN COMMENTS ON NON-AGENDA ITEMS:** None
7. **PRESENTATIONS:**
  1. **UNITED WAY DONATION:** Present United Way of Graham & Greenlee County a check in the amount of \$9,246.00 from monies raised through a series of events put on by the City of Safford Employee United Way Committee.
  2. **GRAHAM COUNTY CHAMBER OF COMMERCE:** Vance Bryce, Executive Director, presented to the Mayor and City Council an annual report for the Graham County Chamber of Commerce.
8. **PUBLIC HEARING:** A Public Hearing was opened in compliance with Arizona Revised Statutes §38.431.02 to hear public comments regarding:
  1. **Request Mayor and Council hold a public hearing for a proposed rezoning of Graham County Parcel # 101-17-012 located at 815 West 10th Street.** Susan Anderson, Planning and Community Development Director, stated that the Planning and Community Development department is in receipt of a rezone application from Robert Hernandez

and that rezone request is for property located at 815 W. 10<sup>th</sup> Street. The six thousand eight hundred and twenty two (16,822) square foot parcel has the remains of a single family residence that was destroyed by a fire. The applicant is requesting a rezone the property from R-2 Multiple Family Residential to C-MH Conventional Manufactured Home. The purpose of the CMH Manufactured Home district is to provide a district where single family conventional and manufactured homes may be interspersed. The ordinance requires a neighborhood meeting that the applicant is required to hold for all properties within one hundred and fifty (150) feet of the property and was held December 28, 2020 at 6:00 pm at the Safford Annex Building. One member of the public attended the meeting and expressed concerns that if a manufactured home is moved onto the property that it be skirted with a more durable material than aluminum and inquired if a ramp will be installed.

The Planning and Zoning Commission held a public hearing at their meeting January 19, 2021. All property owners within three hundred (300) feet were notified of the public hearing as well as the City Council public hearing being held tonight. The P&Z Commission voted unanimously to recommend City Council approve the rezone request. An anonymous letter was received requesting that the rezone is not approved.

- Robert Hernandez addressed the council regarding the rezone for parcel #101-17-012 and the manufactured home he would like to place on the property.
- No other comments were heard.

**9. CLOSED PUBLIC HEARING AND RECONVENED REGULAR MEETING:**

**10. ORDINANCES:**

1. **ORDINANCE O21-005: Request for the Mayor and City Council to have the first reading of Ordinance Number O21-005, an Ordinance of the City of Safford, Graham County, Arizona, rezoning Graham County Assessor's Parcel # 101-17-012, located at 815 10th Street, from R-2 Multiple Family Residential to C-MH Conventional Manufactured Home.**

- Ordinance O21-005 was read into the minutes

**11. RESOLUTIONS:**

1. **RESOLUTION R21-003: Request for Mayor and City Council to authorize the Mayor to execute Amendment No. One to the Intergovernmental Agreement (IGA) with Arizona Department of Transportation (ADOT) in connection with the construction funding for the 20th Avenue Street Improvement project from Relation Street to Golf Course Road.** Lance Henrie, Public Works Director/City Engineer, stated this a request

to authorize by Resolution R21-003 the Mayor to execute Amendment Number One (1) to the Intergovernmental Agreement (IGA) with Arizona Department of Transportation (ADOT) in connection with the construction funding for the 20th Avenue Street Improvement project from Relation Street to Golf Course Road. Staff is recommending authorizing and entering into this agreement with ADOT. The proposed improvements include the reconstruction and widening of 20<sup>th</sup> Avenue from Relation Street to Golf Course Road. The design is in the final stages and included four travel lanes, center turning lane, storm drain improvements, curb gutter, sidewalks on both sides of 20<sup>th</sup> St., a new twelve inch water line, and pressure reduction station that will serve the hospital and surrounding areas. All the necessary Right of Ways and Temporary Construction Easements have been obtained to allow this project to move forward. The design consultant has submitted its final design and construction estimate to ADOT and the City for final review. Part of that review is establishing and finalizing the funding to move the project forward to advertise for construction. ADOT requires the city's share of this project construction cost prior to bid advertisement.

Federal and city funds will be utilized for the construction of this project. Since the IGA was approved on April 2, 2019, the construction estimate as well as the available funding have increased. The maximum federal funds available is now \$3,653,581 and the required city match is \$220,842 which is the 5.7% for a total of \$3,874,423. The city is also responsible for the project development administration cost which is not federally funded and that amount of \$20,000 has already been paid by the city. There is a budget deficit of \$432,140 when compared to the estimate. The estimated cost of the water improvements is just over \$400,000. Therefore, staff is requesting a reallocation of \$250,000 from the budgeted Carrasco well treatment plant project that is now going to be funded by as part of the WIFA loan. The streets HURF fund currently has a project in the 20/21 CIP for the construction of a cul de sac off 10<sup>th</sup> St. utilizing the west side of the property purchased for a retention basin. The retention basin will still be constructed with the 10<sup>th</sup> Ave. retention and road improvement project. Staff is requesting the reallocation of the \$250,000 to the 20<sup>th</sup> Ave project as well.

Councilman Lopez stated he spoke to Mr. Henrie with any concerns regarding lighting and conduit.

Mayor Kouts inquired on a retainer for the construction company who wins the bid.

It was moved by Vice Mayor Ortega, seconded by Councilman Andazola, and carried unanimously to approve and authorize the Mayor to execute Amendment No. One to the Intergovernmental Agreement (IGA) with Arizona Department of Transportation (ADOT) in connection with the construction funding for the 20th Avenue Street Improvement project from Relation Street to Golf Course Road. **MOTION ADOPTED**

**12. NEW/OLD BUSINESS:**

- 1. MINUTES: Request for Mayor and City Council to review and approve January 25, 2021 City Council Meeting Minutes.**

It was moved by Vice Mayor Ortega, seconded by Councilman Andazola, and carried unanimously to approve January 25, 2021 City Council Meeting Minutes. **MOTION ADOPTED**

- 13. ANNOUNCEMENT OF CURRENT EVENTS:** The Mayor or any member of Council may at this time present a brief summary of current events and provide future agenda items. However, no discussion shall take place on such items except for clarifying comments related to substance, time and location.

- Councilman Lopez would like to see the handicap parking spots the golf course be repainted.
- Vice Mayor Ortega thanked staff for the new steps at the library and that he would like to discuss the bike paths with staff at the next work session.
- Mayor Kouts stated he would like staff to look into the city funding the fireman insurance benefits.

**14. CLOSED REGULAR MEETING AND RECONVENED INTO A COUNCIL WORK SESSION:**

- 15. WORK SESSION:** The Mayor and City Council entered into a work session to discuss the following items:

- 1. EMPLOYEE BENEFITS: Discuss and update the Mayor and City Council regarding City of Safford employee benefits.** Lydia Newkirk, Human Resources Officer, gave Mayor and Council an update on the employee benefits project. (see presentation attached) Staff would like to recommend renewing the city contract with Rural Arizona Group Health Trust (RAGHT). Two reasons for this decision is that the city will not be saving money and the city does have protection by being in a shared risk pool. The benefits committee would also like to respond to staff's requests through the employee benefit survey and recommend a change of the shared premium contribution. At the 80/20 it would increase the city cost by \$192,940. Adding that on top of the \$115,000 with the 8% renewal, the city is looking at a total increase of \$308,610. At a 75/25 split \$96,870 with a total increase of \$212,450. Ms. Newkirk would also like to request through the budget process some monies be put aside for wellness activities for staff and add a new benefit of short term disability.

Councilman Seale inquired how many employees have single coverage and the reason for asking is if the city changes family coverage, it does nothing for single coverage. If anything, Councilman Seale would be in favor of covering the employees' portion 100% because that benefits every employee. Lydia responded that RAGHT requires at least a 90/10 and would have to look into if the city can cover more. A short discussion followed on current employee pricing, coverage, and short term disability. Councilman Seale would like to see all employees to benefit from any coverage change. Mayor Kouts inquired on the city's reserves with RAGHT and feels the city shouldn't need more than six months' worth in the reserves.

Mayor Kouts asked Ms. Newkirk if she compared other local insurance coverage similar to the city's coverage. Lydia responded that she has compared the city insurance to like entities. The Mayor stated he would like for Lydia to bring back comparisons with Graham County, Thatcher, EAC, Safford Schools, and Graham County Co-op.

Mayor and Council agreed with staff to remain with RAGHT.

16. **ADJOURN:** It was moved by Vice Mayor Ortega, seconded by Councilman Andazola and carried unanimously to adjourn City Council Meeting at 7:42 pm. **MOTION ADOPTED**

APPROVED:

Jason Kouts, Mayor

ATTEST:

Tamara Webster  
Tamara Webster, CMC, City Clerk

STATE OF ARIZONA )

) ss

COUNTY OF GRAHAM )

#### CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the City Council Meeting Minutes of the Safford City Council, Graham County, Arizona held Monday, February 8, 2021, and approved at a Regular Council Meeting held on Monday, February 22, 2021. I further certify the meeting was duly called, held, and that a quorum was present.

Tamara Webster  
Tamara Webster, CMC, City Clerk

February 22, 2021  
Date

# Employee Benefits

Update, February 8, 2021



# Process and Timeline

## STAGE 1

- October
  - Request for Proposal
  - Interviews and selection of a brokerage firm
- November – December
  - Benefit Design and Market Pricing
- January
  - Informational Meetings with City Council
- February
  - Compare to RAGHT Renewals
  - Decision to stay or leave RAGHT

## STAGE 2

- March
  - Implementation
- April
  - Staff Education
- May
  - Open Enrollment
- June
  - Administrative Processing Period
- July
  - New Benefits Effective

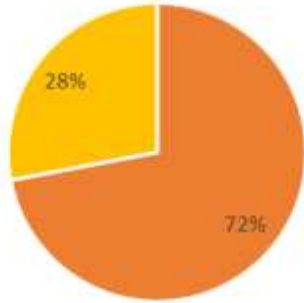


# Employee Benefits Survey

- Health Insurance Premiums
- Vision
- Claims Administration
- Wellness
- Short-Term Disability

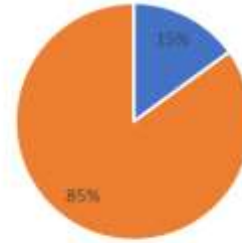


Are you satisfied with the health coverage?



Yes No

Would you waive health coverage if offered a monthly credit?



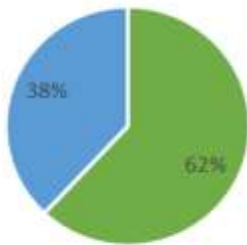
Yes No

What percentage should the employer pay?



100% 80% 75% 50%

Are your insurance premiums too high?

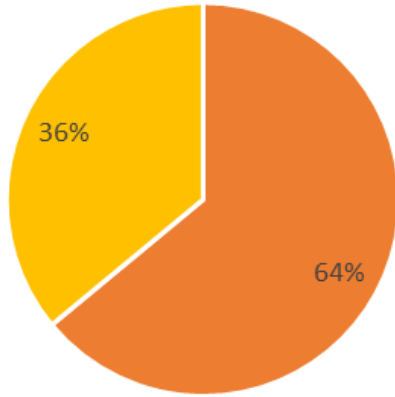


Yes No

## Employee Benefits Survey Health Insurance

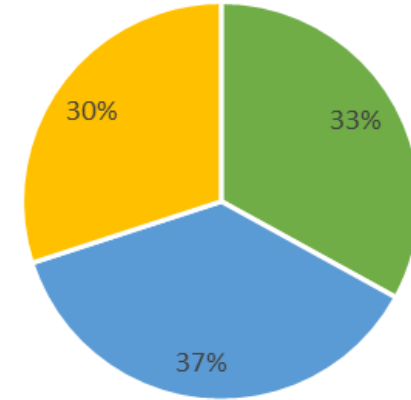
---

### Vision



■ Unsatisfied ■ Satisfied

### Claims Administration



■ Satisfied ■ Neither/Nor ■ Dissatisfied

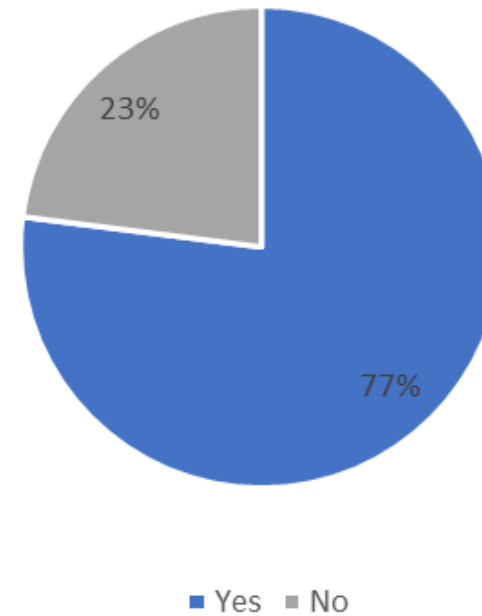
# Employee Benefits Survey

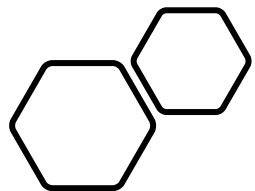
---

# Employee Benefits Survey

- Wellness
- Short-Term Disability
  - \* New Benefit\* Employees were asked what benefit they would like to see added to the benefits package. Their response was a Short-Term Disability Insurance

If offered more Wellness, would you participate?





# RFP Marketplace Findings

- Health
- Dental
- Vision
- Wellness
- Short-Term Disability
- Administrative Fees
- Comparison to RAGHT Renewals
  - RAGHT Renewals has an 8% increase (\$115,670)

Renewal Annual RAGHT Costs	
Medical	\$2,015,478
Dental	\$151,239
Vision	\$25,493
Life	\$9,300
EAP	\$0
FSA Admin	\$0
COBRA Admin	\$0
ECA Admin Fee	\$0
<b>Total Annual</b>	<b>\$2,201,510</b>

Cost Combination w/Single Dental Opt & Fully-Insured Medical	
BCBSAZ FI Medical	\$2,013,052
Beam Dental	\$147,383
Beam/VSP	\$13,880
Hartford Life	\$5,632
Jorgensen Brooks EAP	\$3,240
BASIC FSA	\$600
Benefit Resources COBRA	\$1,800
CBIZ Consulting Fee	\$24,000
<b>Total Annual</b>	<b>\$2,209,587</b>
<b>\$ Change from Renewal</b>	<b>\$8,077</b>
<b>% Change from Renewal</b>	<b>0.37%</b>

# Response to Your Questions

## 1. Late Bids to the RFP's

- We received two late bids for the Dental RFP
  - The bid closed on 12/10/2020 at 10:00 AM
  - United Concordia was received on 12/10/2020 at 1:36 PM
  - Ameritas was received on 12/10/2020 at 11:43 PM
- Purchasing Policy adopted in 2018 by resolution R18-026
- Arizona Procurement Code (Chapter 23, page 30)
  - R2-7-B307. Late Offers, Modifications, Withdrawals

## 2. City's Reserves

- Local Government Investment Pool (LGIP)
- Cash position as of June 30, 2020 \$1,760,030, IBNP \$296,542, gives us a Surplus Position of \$1,463,488
- Work Session

# Recommendation

## 1. Renew COS contract with RAGHT

- We would not be saving money if we left RAGHT.
- Protection by being in a shared risk pool

## 2. Respond to staff's request in the Employee Benefit Survey

- Shared premiums
  - 80/20, \$192,940 increase and a total increase of \$308,610
  - 75/25, \$96,870 increase and a total increase of \$212,450
- Staff Education
- Wellness Budget
- \*New Benefit\* Short-Term Disability Insurance
  - Currently being priced by ECA

# Closing



Question & Answers



Thank you