



CITY OF SAFFORD • CITY COUNCIL MEETING • MONDAY, MARCH 11, 2019 at 6:00 pm
MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM • 808 S. 7TH 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 p.m.
2. **ROLL CALL:** A quorum of the Council was present.

COUNCIL PRESENT: Jason Kouts, Mayor; Richard Ortega, Vice Mayor; Councilmembers’ Gene Seale, Arnold Lopez, Steve McGaughey, Chris Taylor and Michael Andazola.

STAFF PRESENT: Horatio Skeete, City Manager; Joe Brugman, Chief of Police; Randy Petty, City Engineer; Lance Henrie, Public Works Director/Assistant City Engineer; Susan Anderson, Planning and Community Development Director; Alma Valles, Finance Officer; Kabrina Romero, Finance Administrator; Victoria Silva, Library Director; Lesley Talley, Library Operations Supervisor; Tamara Webster, Deputy City Clerk; Sam Napier, I.T. Officer; Dan Braatz, Electric Division Supervisor; Gale Hedges, Water Division Supervisor; Raymond Osornio, Gas Division Supervisor; and Morgan Seale, Wastewater Division Supervisor.

OTHERS PRESENT: Kathy Grimes, Kathy Murphy, Trish Snow, Glyna French, Jan Napier, Royce Hunt, Kim Tellez, Girl Scout Troop 386, John Howard, Steve Oller, Marge Schade, Tiana Cruz, Jon Stewart, Mike Garcia, Kevin Peck, John Neal, Melissa Tantun, Chad Crockett, Virgie Romero, Nancy Schaumon, Rosa Contreras, Claudia Rios, David Sowders, Micah Windsor, Laura Tolman and others who did not sign in.

3. **PLEDGE OF ALLEGIANCE:** Vice Mayor Ortega 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. **PROCLAMATIONS:**

1. **“Girl Scout Day”:** A Proclamation on the Importance of the All-Girl Space Offered by Girl Scouts and declaring March 12th to be “Girl Scout Day” was read and presented to Girl Scout Troop 386.

2. **“SBDC Day”:** A Proclamation celebrating March 20th as SBDC (Small Business Development Centers) Day which recognizes our local EAC SBDC office, the Arizona Network, America’s SBDC and all they do for our economy and communities was read

and presented to Kevin Peck, Director of Eastern Arizona College Small Business Development Center.

8. **CONSENT AGREEMENTS:** These items are considered to be routine by the City Council and may be approved by a single motion unless removed at the request of any Council Member for further discussion/action. Council Members have received documentation on these items for review prior to the open meeting. The City Council may wish to consider approving items 1 through 3 listed below as consent agenda items.

1. **SOCIAL SERVICES AGREEMENT CHAP CORP:** Request for Mayor and City Council to approve the agreement with CHAP Corporation and to authorize the Mayor to execute the agreement.

2. **SOCIAL SERVICES AGREEMENT GRAHAM COUNTY SUBSTANCE ABUSE COALITION:** Request for Mayor and City Council to approve the agreement with Graham County Substance Abuse Coalition and to authorize the Mayor to execute the agreement.

3. **SOCIAL SERVICES AGREEMENT SEACUS:** Request for Mayor and City Council to approve the agreement with Southeastern Arizona Community Unique Services (SEACUS) and to authorize the Mayor to execute the agreement.

Alma Valles stated that item 8.1, 8.2 and 8.3 are the agreements for CHAP Corporation, Graham County Substance Abuse Coalition and SEACUS. On November 13, 2018 the council approved to award these funds, and this request is for the approval of the agreements and to authorize the mayor to execute the agreements.

Mayor Kouts explained that the City of Safford was awarded the CDBG monies for 2018. The city took the lead and stated that this is community money. The city then accepted applications and selected three of the applicants to be awarded the monies.

City Manager Skeete stated once the City of Safford received the public process of reviewing the CDBG funds for the year it became apparent that there are community organizations that were in need of these funds and eligible for the funds. Since the CDBG process is a federally funded program it became a very exhaustive process. In lieu of using the CDBG funding, staff recommended to council that a community wide CDBG project that was already funded in the general fund budget for the repair of sidewalks and parks and use the equivalent amount of funding to distribute to the local organizations without the burdensome restriction of the federal process. The city then developed an RFP (request for proposal) process to entertain applications from the community. Staff reviewed the applications and made recommendations to council for funding and these agreements are for the awarding of those funds with a contract to the three recommended groups.

It was moved by Vice Mayor Ortega, seconded by Councilman Andazola and carried unanimously to approve the Social Services Agreement with CHAP Corporation, Graham County Substance Abuse Coalition, Southeastern Arizona Community Unique Services (SEACUS) and authorize the Mayor to execute the agreements. **MOTION ADOPTED**

9. PRESENTATION:

1. AWARD SOCIAL SERVICES FUNDS: Mayor Kouts and Vice Mayor Ortega presented a check to CHAP Corp in the amount of \$60,000, Graham County Substance Abuse Coalition in the amount of \$100,000 and SEACUS in the amount of \$25,000.

2. GOVERNMENT FINANCE OFFICERS ASSOCIATION OF ARIZONA (GFOAZ): Alma Valles, Finance Officer, provided Mayor and City Council with an overview of the GFOAZ conference. Mrs. Valles stated that in the Legislative update, there is a bill that could possibly affect cities and towns, Senate Bill 1460, which states that software and those types of purchases are not taxable and are rather a contract service. It could affect state wide by a decrease in revenues of fifty-nine million dollars and cities with a decrease in revenues by about twenty-six million dollars. The city will be keeping an eye on this bill.

3. CASELLE USER GROUP: Kabrina Romero, Finance Administrator, provided Mayor and Council with an overview of the Caselle User Group conference that Lorie Pedregon and herself attended. This conference is provided by Caselle to allow the clients of their software to learn of updates and changes that will be taking place within the system before they are implemented.

10. NEW/OLD BUSINESS:

1. MINUTES: Request for the Mayor and City Council to review and approve the minutes for the January 14, 2019, January 25, 2019 Joint Work Session, January 25, 2019 Council Work Session, January 28, 2019 and February 11, 2019, City Council Meeting Minutes. No changes were requested.

It was moved by Vice Mayor Ortega, seconded by Councilman McGaughey and carried unanimously to approve the minutes for the January 14, 2019, January 25, 2019 Joint Work Session, January 25, 2019 Council Work Session, January 28, 2019 and February 11, 2019, City Council Meeting Minutes. **MOTION ADOPTED**

2. EXECUTIVE SESSION MINUTES: Request for the Mayor and Council to review and approve February 11, 2019, Executive Session Council Meeting Minutes. No changes were requested.

It was moved by Vice Mayor Ortega, seconded by Councilman McGaughey and carried unanimously to approve February 11, 2019, Executive Session Council Meeting Minutes. **MOTION ADOPTED**

3. SPECIAL EVENT LIQUOR LICENSE: Request for the Mayor and City Council to recommend an approval to the Arizona Department of Liquor Licenses and Control for the Graham County Chamber of Commerce 3rd Annual Wine, Art, History & Music Festival. Susan Anderson, Planning and Community Development Director, stated that six special event liquor license applications were submitted for approval for the 3rd Annual Wine, Art, History & Music Festival that will take place on April 13th and 14th. The applications are all in association with a Graham County supported event. The applicants include the Graham County Chamber of Commerce, Arizona Hops & Vines, Burning Tree Cellars, Elgin Winery, Laramita Cellars and Sonoita Vineyards. On February 11th council approved the special event application for the Wine, Art, History & Music Festival. Staff is recommending an approval on the six applications to the Arizona Department of Liquor Licenses and Control.

It was moved by Councilman McGaughey seconded by Councilman Andazola and carried unanimously to approve the Arizona Department of Liquor Licenses and Control for the Graham County Chamber of Commerce 3rd Annual Wine, Art, History & Music Festival.

MOTION ADOPTED

11. CONTRACTS/AGREEMENTS/BIDS:

1. TRUE HOPE FELLOWSHIP: Request for Mayor and City Council to authorize the purchase of parcel number 10104054 (Lots 8, 9, 10 & 11 Block 3 Lassator Addition) in the amount of \$230,000 and to enter into a lease agreement of the property through the end of 2019 with True Hope Fellowship Inc. Horatio Skeete, City Manager, stated that he had previously discussed with council the opportunity to purchase the property owned by the True Hope Fellowship church on lots 8, 9, 10 & 11 on the accessors register for two hundred and thirty thousand dollars (\$230,000) total. The purchase of this property will begin to facilitate the development of a fire department building on this facility sometime in the future. The city is in the process of securing some design concepts for that building. The action before council tonight is to approve the final contract price of \$230,000 for the purchase of this agreement and to lease the property back to the church for the remainder of this calendar year while they complete their move to their new facility. Therefore the property will not be available and the city does not need it until next year or sometime there after. Staff is recommending that council also approve the lesase to the church for the remainder of the calendar year as part of the purchase agreement.

It was moved by Councilman McGaughey seconded by Vice Mayor Ortega and carried unanimously to authorize the purchase of parcel number 10104054 (Lots 8, 9, 10 & 11 Block 3 Lassator Addition) in the amount of \$230,000 and to enter into a lease agreement of the property through the end of 2019 with True Hope Fellowship Inc.

MOTION ADOPTED

12. RESOLUTIONS:

1. RESOLUTION R19-008: Request for the Mayor and City Council to approve and adopt Resolution R19-008, a resolution approving the lease purchase agreement with J.P. Morgan Chase Bank for the purchase of a Pierce Velocity Ascendant 107' Ladder Firetruck in the amount of \$1,141,174.71. Alma Valles, Finance Officer, requested approval of Resolution R19-008 for the lease purchase of the ladder firetruck in the amount of \$1,141,174.71 and the annual payments will be \$132,000 a year. On November 13, 2018, council approved the award of the bid to Chase Bank and at that time the interest rate was at 3.4% and since then the city has closed the loan agreement at 3.09%. This reduction did give the city a savings of about \$20,000 over the life of the loan.

Deputy City Clerk, Tamara Webster, read the number and title of Resolution R19-008 into the record.

It was moved by Councilman Andazola seconded by Councilman McGaughey and carried unanimously to approve and adopt Resolution R19-008, a resolution approving the lease purchase agreement with J.P. Morgan Chase Bank for the purchase of a Pierce Velocity Ascendant 107' Ladder Firetruck in the amount of \$1,141,174.71. **MOTION ADOPTED**

13. REPORTS:

1. P-Card Transaction Report
2. Over \$5,000 Report
3. Prosecution Report

No questions or comments on reports.

14. 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.

- Vice Mayor Ortega – SEAGO Meeting September 14, 2019

15. REPORT ON OPERATIONAL ITEMS: The city manager, members of city staff or those individuals designated by the manager may present information pertinent to items under consideration or information related to the operation of the City. There shall however be no discussion at this time except for clarification inquiries. (If not listed below)

- **Water Table Levels Update:** Morgan Seale presented a yearly trend for all of the City of Safford wells from April 2018 to early March 2019. In 2017 the levels started out high and during the pumping season the water table levels dropped down. Once pumping season ends the levels show a slow trend going back up.

The water tables now are slightly below last years water tables by about 3 to 5 feet. Going into this pumping season the city will definitely keep an eye on the water tables and update council on a monthly basis.

Vice Mayor Ortega stated that the public needs to be educated that even with all the rain and snow on the mountain that we are still within drought conditions and to be aware of there water usage.

Morgan agreed that the public needs to be made aware and compared to last year the water levels are better and what the rain helps with the most is the demand for water. With the rain the public will stop watering and washing their cars as much. Last year the wells kicked on every month but this year a well has not been run for the last two months.

- **CIP Update:** Randy Petty presented the CIP Project Status report for the third quarter of this fiscal year. The city has completed five projects to date, fourteen are either in construction or area of progress, seven are in design, ten are in planning and twelve have not started yet. By the end of the third quarter the monies spent will be about \$1.3 million so far on the CIP. The status of the top projects includes the financial software which is still continuing, sidewalk improvements are mostly in design at this time, 20th Ave. is progressing, Church Street project is nearing completion, 4th Street electric upgrades have installed seven poles to date and priority poles project has replaced thirteen poles. So far the city is about 11% into the CIP.
- **CNB Excavting:** City Manager Skeete stated that over the weekend after the completion of the agenda a settlement with CNB, the original contractor for the Church Street project, was settled at \$130,000 to close this project out with CNB. Each party will pay their own attorney fees and will get a modified change order and complete that project over the next couple of days.
- **County Water Agreement:** Mr. Skeete stated that he is still working with the County Manager on the proposed water agreement that was submitted to the City of Safford at the last meeting. The details are still being worked out and City Manager Skeete feels very confident that an agreement will be reached soon so the city can begin to utilize the space and begin to design the police expansion.
- **Landfill Rate Study:** City Manager Skeete stated that he received a draft of the landfill rate study that will be presented to council at the next meeting.
- **Fire Department Brush Truck:** Mr. Skeete stated that in consultation with the Safford Fire District, of which the city provide services for, on the ladder truck

the district was very concerned about the city's ability to respond to brush fires and wanted to make sure that the discussion on the brush fire truck wasn't lost. The fire district has come up with sufficient funds within their budget to buy the truck. The fire district has authorized the city to order the brush truck for about \$240,000 that will be delivered before the end of the fiscal year. The city has agreed to the 50% contribution that the City of Safford would normally be expected to put into any capital purchases with the Fire District, the city would instead give the fire district a credit in the amount of \$13,000 on the ladder truck. At the end of the process the City of Safford and the Fire District would own 50% of the brush truck and 50% of the ladder truck.

- 16. ADJOURN:** It was moved by Councilman Andazola, seconded by Vice Mayor Ortega and carried unanimously to adjourn the council meeting at 6:50 p.m. **MOTION ADOPTED**

APPROVED:

Jason Kouts, Mayor

ATTEST:

Tamara Webster, CMC, Deputy 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 Regular City Council Meeting Minutes of the Safford City Council, Graham County, Arizona held Monday, March 11, 2019 and approved at a Regular Council Meeting held on Monday, April 8, 2019. I further certify the meeting was duly called, held and that a quorum was present.

Tamara Webster, CMC, Deputy City Clerk

April 8, 2019
Date: