



CITY OF SAFFORD • CITY COUNCIL MEETING/WORK SESSION • MONDAY, JULY 22, 2019 at 6:00 p.m.
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 (6-1).
COUNCIL PRESENT: Jason Kouts, Mayor; Vice Mayor, Richard Ortega; Councilmembers’ Gene Seale, Arnold Lopez, and Michael Andazola.

COUNCIL ABSENT: Chris Taylor

STAFF PRESENT: Horatio Skeete, City Manager; John Cassella, Assistant 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 Flores Valles, Finance Officer; Victoria Silva, Library Director; Georgia Luster, City Clerk; Nathan Estes, Water Division; Gale Hedges, Water Division Supervisor; Raymond Osornio, Gas Division Supervisor; and Morgan Seale, Wastewater Division Supervisor.

OTHERS PRESENT: Maryna Abukshynoi; Dan Curtis; David Sowders, Eastern Arizona Courier; Paul R. David; Keri Dahlquist, and, others who did not sign in.

3. **PLEDGE OF ALLEGIANCE:** Mayor Kouts led the Pledge of Allegiance.
4. **OPENING PRAYER:** Councilman Andazola offered the opening prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
6. **CITIZEN COMMENTS ON NON-AGENDA ITEMS:** NONE
7. **NEW/OLD BUSINESS:**
 1. **MINUTES:** Request for the Mayor and City Council to review and approve the following Council Meeting Minutes: March 25, June 24, and July 8, 2019. There were no revisions to the minutes.

It was moved by Councilman Andazola, seconded by Vice Mayor Ortega, and carried unanimously to approve the March 25, June 24, and July 8, 2019 Council Meeting Minutes. **MOTION ADOPTED**
 2. **EXECUTIVE SESSION MINUTES:** Request for the Mayor and City Council to approve July 12, 2019 executive session minutes. The Council may go into executive session to discuss any revisions pursuant to *Arizona Revised Statutes* §38.431.03(A)(2). There were no revisions to the executive session minutes.

It was moved by Councilman McGaughey, seconded by Councilman Lopez, and carried unanimously to approve July 12, 2019 executive session minutes. **MOTION ADOPTED**

8. RESOLUTIONS:

- 1. RESOLUTION NUMBER R19-030: Request for the Mayor and City Council to approve and adopt Resolution Number R19-030, a resolution adopting the Human Resources Section 6.5 On-Call Policy and amending the Human Resources 0800 Compensation Plans Policy.** Lydia Newkirk explained that the on-call hours recently increased from 7 hours to 10 hours per week for staff. A descriptive policy is now written to current practice for on-call scheduling, on-call pay, and call-back pay. This policy also covers response time and take-home vehicles while on call. The previous Residency/Response/Oath Policy was voted to be removed from the HR Policy Manual on June 24, 2019 by Council. A Residency Policy and Oath of Office Policy was established. The remaining Response Time is now covered in the proposed On-Call Policy. The Compensation Plans Policy became effective on May 22, 2017 and is now revised separating the On-Call Time into its own policy and removing suspension pay that is covered in the disciplinary policy.

Councilman Lopez verified this Policy does not affect the On-call Policy for the Police Division. Mrs. Newkirk responded that the Police Policy Manual addresses Policy On-Call.

The City Clerk read the Number and Title of Resolution Number R19-030.

It was moved by Councilman McGaughey, seconded by Councilman Lopez, and carried unanimously to approve and adopt Resolution Number R19-030, a resolution adopting the Human Resources Section 6.5 On-Call Policy and amending the Human Resources 0800 Compensation Plans Policy. **MOTION ADOPTED**

- 2. RESOLUTION NUMBER R19-031: Request for the Mayor and City Council to approve and adopt Resolution Number R19-031, a resolution amending the fees to be paid to the City of Safford on delinquent accounts for Safford Municipal and setting a fee for Non-Sufficient Fund (NFS) transactions.** Mrs. Valles explained the current policy for Utility Customer delinquency fees is a three-tier system:
 - The first delinquency in a 12-month period – the penalty fee is waived
 - The second delinquency in a 12-month period – the penalty fee is 5% of the customer's utility balance
 - The third delinquency and any subsequent in a 12-month period – the penalty is 5% or \$10, whichever is higher.

Staff is recommending removing the third tier and continue to waive first fee within a twelve month period but will charge the customer five percent of the amount of the Utility Service Account balance.

Additionally, a non-sufficient fund check, draft, order, or note issued to the City of Safford for payment for any service, the fee assessed to the customer shall be twenty-five (\$25) dollars.

The City Clerk read the Number and Title of Resolution Number R19-031.

It was moved by Vice Mayor Ortega, seconded by Councilman McGaughey, and carried unanimously to approve and adopt Resolution Number R19-031, a resolution amending the fees to be paid to the City of Safford on delinquent accounts for Safford Municipal and setting a fee for Non-Sufficient Fund (NFS) transactions. **MOTION ADOPTED**

- 3. RESOLUTION NUMBER R19-032: Request for the Mayor and City Council to approve and adopt Resolution Number R19-032, a resolution authorizing the Mayor, City Manager, and Finance Officer the authority to proceed with an Excise Tax Revenue Bond financing for the Police Station.** Mrs. Valles explained that resolution R19-032 authorizes the Mayor, City Manager and Finance Officer the authority to proceed with an Excise Tax Revenue Bond financing (\$2.5 million) for the new Police Station. Staff is working with Stifel who have prepared a Private Placement Financing RFP/Term Sheet to approximately twenty-five financial institutions and banks which are due the end of July. Bids will be reviewed and presented to Council in August.

The City Clerk read the Number and Title of Resolution Number R19-032.

It was moved by Vice Mayor Ortega, seconded by Councilman Lopez and carried unanimously to approve and adopt Resolution Number R19-032, a resolution authorizing the Mayor, City Manager, and Finance Officer the authority to proceed with an Excise Tax Revenue Bond financing for the Police Station. **MOTION ADOPTED**

- 4. RESOLUTION NUMBER R19-033: Request for the Mayor and City Council to approve and adopt Resolution Number R19-033, a resolution authorizing the City Manager to execute a Grant Agreement with the National Resources Conservation Service (NRCS) to provide funding on a project to continue the rehabilitation process of the Graveyard Wash Flood Retarding Structure (Dam).** Randy Petty presented the item stating that Resolution R19-033 authorizes the city manager to execute a grant agreement with National Resources Conservation Service (NRCS) to provide \$650,000 for the rehabilitation of Graveyard Wash Flood Retarding Dam.

Arizona Department of Water Resources (ADWR) notified the city, which owns and operates the Dam, of a safety deficiency – “Inability to safely pass the required Inflow Design Flood (IDF).” Phase 1 was the Dam Assessment, which was completed in September 2016. This study concluded that the Dam was generally well maintained and in a satisfactory operable condition; however, the structure does not meet current criteria due to the inability to pass the inflow design flood (IDF) with proper freeboard.

Phase 2 of this process is the Watershed Plan and the Environmental Assessment. This phase would be followed by Phase 3, Design and Construction. This phase would take all the information gathered in Phases 1 & 2 and complete a design to bring the deficiency to current standard, followed by construction to correct the deficiency, bringing the Dam up to current standards.

NRCS has made a grant offer of \$650,000 dollars for the work on Phase 2. There is no city match and NRCS will fund this work at 100%. Staff is recommending Council approval.

The City Clerk read the Number and Title of Resolution Number R19-030.

It was moved by Councilman McGaughey, seconded by Vice Mayor Ortega, and carried unanimously to approve and adopt Resolution Number R19-033, a resolution authorizing the City Manager to execute a Grant Agreement with the National Resources Conservation Service (NRCS) to provide funding on a project to continue the rehabilitation process of the Graveyard Wash Flood Retarding Structure (Dam).

MOTION ADOPTED

9. ORDINANCES:

- 1. ORDINANCE NUMBER 019-001: Request for the Mayor and City Council to approve and adopt Ordinance Number 019-001 amending Safford Municipal Code Title 9, Chapter 9.16.010 Weapons.** Chief Brugman explained the revisions allow for the safe use of BB guns and pellet guns in the city of Safford, the removal of areas covered by Arizona Revised Statutes and the removal of areas of the ordinance that were ambiguous or inaccurate.

The City Clerk read the Number and Title of Ordinance Number 019-001.

It was moved by Councilman Andazola, seconded by Councilman McGaughey, and carried unanimously to approve and adopt Ordinance Number 019-001 amending Safford Municipal Code Title 9, Chapter 9.16.010 Weapons. **MOTION ADOPTED**

10. REPORTS:

- 1. Purchasing Card Report:** No questions
- 2. Over \$5,000 Report:** Councilman Lopez inquired about the Motorola expense for all-band radio. Chief Brugman the expense was for radios, that Police Dept. received a Homeland grant for radios (\$71,000).
- 3. Prosecution Report:** No questions

- 11. 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. **NONE**

12. **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)

- **Update on Caselle Program (Alma Flores Valles):** Mrs. Valles reviewed and presented a slide of the new Caselle bills going out August 1st. She also presented a slide show on the new Express Bill Pay to use on-line via the website. It's a very customer friendly program.
- **Project Status Report Update (Randy Petty):** (Report attached)
- **Water Table Levels Update (June water tables) (Morgan Seale):** (Report attached)
- **Blending Plan Update (Morgan Seale):** Mr. Seale explained the blending process and the MCL levels. When the system exceeds MCL forced to implement a form of treat (remove contaminate or blending with better quality of water to lower the MCL). Blending water from the Carrasco Well with the Kempton Well.

Councilman Lopez asked Mr. Seale to provide a presentation on the SCADA System at a future meeting.

- **Service Line Warranty Update (Nathan Estes):** Mr. Estes presented the statistics of the Service Line Warranty which has been in effect for the last year.
 - 295 residents enrolled initially
 - Increased 43 residents and 80 policies from last year
 - 579 total active policies of which 285 are external water line policies, 252 external sewer polices, and 43 in-home plumbing policies
 - 16 completed claims of which 14 were water line claims (savings of \$3,337 to the customer), 9 external sewer line claims (savings of \$14,000 to the customer) and 3 in-home plumbing (savings of \$300 to the customers)
 - \$18,140 total dollars the customer saved
 - One local contractor (3G Plumbing) signed up with the Company.

The Council recommended encouraging additional local contractors to participate in the program which gives the homeowner the option to choose their contractor.

13. **ADJOURN REGULAR COUNCIL MEETING TO CONVENE COUNCIL WORK SESSION:** The council recessed at 7:38 p.m. and returned to a Work Session at 7:51 p.m.

City Manager Skeete explained that the work session items are to be discussed and that no decisions will be made tonight. Staff is asking for direction of where the council wants to go

with these topics and how we are going to get there. After some public input and zoning input, staff will come back to the Council with a detailed recommendation on each topic.

1. **PLANNING & COMMUNITY DEVELOPMENT DISCUSSION:** Request for the Council to provide direction to staff regarding a number of items relating to Planning & Community Development Department. Susan Anderson pointed out that the correct presentation was emailed to the council and staff this afternoon.

➤ **Entertainment District:** (Power Point attached)

The Safford Downtown Association developed the 2018-2023 Five Year Strategic Plan for Downtown. Goal #1 is to create unique experiences by maintaining a healthy, vibrant downtown destination of diverse businesses, community events and cultural activities. Their short term plan is to work with the City of Safford to develop and adopt an Entertainment District. The Safford Downtown Association provided a letter to the City Manager in 2018 requesting consideration of creating an entertainment district in the downtown area.

Establishing an entertainment district allows the City Council, on a case by case basis, to request the Arizona Department of Liquor Licenses and Control to approve an exemption from the 300 foot distance requirements from a church, public or private school with kindergarten programs or grades 1-12 or a fenced recreation area adjacent to a school building.

The 300 foot separation requirement does not apply to the following types of liquor licenses:

- Restaurant with 40% of gross revenue from sale of food
- Hotel/Motel with restaurant
- Special Events
- Government
- Golf Course
- Craft distillery festival and farm winery festival
- Not-for-profit performing arts theatre w/seating for 250+ persons

The intent of an Entertainment District is to promote economic development both downtown and regionally.

- Continue to revitalize the downtown by providing additional business options
- Help existing businesses expand their offerings
- Create a more vibrant and active downtown
- Provide additional options/reasons for locals to visit downtown
- Attract visitors from outside the area
- Support regional agricultural practices such as vineyards

Staff developed a study area for an entertainment district. Ms. Anderson pointed out the boundaries of the study area:

- 70 corridor and 191 corridor
- Western boundary 8th Avenue
- Southern boundary – 8th Street meets up to HWY 70
- Northern boundary follows the irrigation canal and north city limits

Per council direction, staff reached out to and surveyed the churches in the area: Thirteen churches in the area were reached out to. Spoke to ten churches directly/three did not return calls or e-mails. Six were in favor of an entertainment district. One was against an entertainment district, and three said they would get back to me. The survey was mailed out to property and business owners located within the boundaries of the Downtown Association. The results of the survey were: 243 respondents to survey: 190 are in favor of an entertainment district, 25 opposed an entertainment district and 28 were in favor, but felt there should be limits. Safford residents, businesses and commercial property owners made up 160 of the 243 respondents (about 66%). As part of the mailing a brochure explaining what an entertainment district is was mailed. The survey was put on Facebook page, city's website (created a link to brochure) and newspapers.

She provided a list indicating several cities and towns with Entertainment Districts. She noted that the city of Safford would only be allowed to have one entertainment district based on a population of 200,000. She referred to a resolution by the City of Glendale and Peoria that contains guidelines of an entertainment district.

Ms. Anderson asked the Council for direction. Does the Council wish to move forward with an entertainment district? If the Council supports pursuing an entertainment district, the process would include a public hearing, the adoption of a resolution, the boundaries would need to be defined and guidelines included in the resolution. She also noted that the Council may dictate what type of liquor licenses to apply to the entertainment district.

There was discussion about extending the boundary in the future. It is possible to extend the boundary in the future. However, the entertainment district cannot exceed one square mile in size and 1/8 of a mile in width.

It was the consensus of the Council to direct staff to proceed with creating an entertainment district which will require a public hearing and resolution with parameters similar to Glendale and Peoria.

- **Shelter Facility:** (document attached) Ms. Anderson provided a definition of a Shelter based on a definition by Phoenix and Flagstaff. *A supervised publicly or privately operated shelter designed to provide temporary housing accommodations to indigent, needy, homeless or transient persons or families*

who lack a fixed, regular, and adequate nighttime residence. The shelter facility may also provide ancillary services such as counseling or vocational training. Currently, shelters would be permitted as stated in the Zoning Code under the (A-R) Agricultural Residential zoning. The language reads: *hospitals and institutions of an educational, religious, charitable or philanthropic nature.* An example is the Safe House on 20th Avenue. Ms. Anderson pointed out Agricultural Residential Zones on a map.

Ms. Anderson further explained that the City received a Zoning Ordinance text amendment application to add Shelter Facilities as a conditional use in the C-2 Zoning District. Conditional Uses are treated like a rezoning. It requires newspaper publication, 300 foot property owner notification and hold a public hearing. Planning & Zoning (P & Z) Commission holds public hearing and makes recommendation to the Council. City Council held a public hearing on May 16, 2019, and the P & Z Commission voted 4 to 1 to not recommend this text amendment to the City Council. At that point, the text amendment application was put on hold so that staff could discuss it with the council. She reviewed a map that indicates the C-2 Highway Commercial Zoning District which outlines the HWY 70 corridor, HWY 191 corridor and a couple parcels by Discovery Park Blvd. Staff is seeking direction from council. She pointed out one possible option would be to take this item back to the P&Z Commission and have a workshop to discuss options. The Planning & Zoning Commission was sympathetic to the needs of having a shelter in the community. The question is: is a C-2 Highway Commercial District the correct zoning for shelters? She believes there's a need for greater conversation with the community and the Planning & Zoning Commission regarding shelters and recommends holding a public hearing.

Mr. Skeete stated his concern of not addressing in the A-R zone might be leaving exposed to a grandfathered position before the property is rezoned. A-R Zones are normally a holding zone for properties to be developed. For example, he referred to A-R zoned property behind the Mt. Graham Shopping Center where the General Plan calls for the property (when developed) to be rezoned into mixed use and residential rezoning categories. The A-1 zoning typically disappears as the properties get developed. For this reason, their needs to be a discussion regarding the zoning.

Mr. Skeete stated that he is not suggesting a location, but wants to hear from the community before a particular location is selected. He recommends staff and the council analyze all zoning categories for the different types of uses for a compatible use from A-1 to industrial that might work, by right or by conditions that will be developed.

- **Home Owner’s Association (HOA) Requirments and Subdivisions:** Ms. Anderson reviewed excerpts from the Subdivision regulations. She pointed out that Section 16.08.020 Preliminary Plat Review does allow for deed restrictions or covenants that **may** include provision for the creation of a property homeowners association for the proper protection of maintenance of a subdivision. It further states that the subdivider shall provide the department with information as to the organization that will be responsible for ownership and maintenance of all such improvements not dedicated to the city, such as retention ponds, common/open spaces, landscape tracts, other common areas and improvements thereon. Improvements and tracts not dedicated to the city shall be subject to the approval of the council and shall be a homeowner’s association. She also noted that there are costs to the city when such improvements, such as retention areas (storm facilities), sidewalks, etc. are dedicated to the city.

Mr. Skeete recommends staff look at “fine tuning” the zoning codes to be more specific, but also staff should be prepared to listen to the concerns of developers and consider options. He said that staff will come back to the council with recommendations to consider.

2. **Discussion on the development of an economic development incentive plan for small business.** Mayor Kouts stated that he asked for this item to be on the agenda. He asked the council to consider offering additional incentives for small business development in the city of Safford. (waive business license fee, assistance with utility connection, etc.)

14. **EXECUTIVE SESSION:** Pursuant to *Arizona Revised Statutes §38-431.03(A)(1)(3)* the City Council will enter Executive Session to receive an update from the City Manager and legal advice from the City Attorney regarding matters in connection with an incident during July 4th events.

At 7:38 p.m., a short break was called before the council entered exeutive session.

Executive session was adjourned at 8:51 p.m. and regular session reconvened at 8:57 p.m.

City Manager Skeete stated that a very detailed report outlining the Fourth of July activities was presented to the Council in executive session. “Following the investigation done by myself, Lydia Newkirk and Joe Brugman, the following recommendations were presented:

Assistant Chief, Patrick Anderson be removed from his Assistant Chief position and not be eligible for re-election for at least two years.

He is restricted from driving fire apparatus for one year and a three (3) month suspension from active fire fighting duties.

Be required to attend any training sessions that might occur during time of suspension

Fire fighter, James Holguin be suspended from active fire fighting activities for thirty days.

Be required to attend any training sessions that might occur during time of suspension

Issue a Letter of Reprimand to Chief Bingham for not verbally minding the members of the fire department during the family barbeque that those who consumed alcohol should not actively participate in any fire event or cause that evening

Work with HR and CM to develop series of training, review procedures and operations of the fire dept. to put steps into place to avoid such an incident occurring in the future

Work with City clerk and cm work with city attorney to modify the city code to specifically address the reporting structure of the fire chief for all operational purposes to bring those operations under the auspices of the city manager. In 2011 a review of the operational structure of the fire department was done and determined that the fire chief should be reporting to the city manager for all operational purposes. The fire chief is nominated and elected by the members of the fire department and approved and appointed by the council remains the same. The Municipal Code modification was not made at that time. Mr. Skeete stated that he never had cause to question and/or review the city code in regards to the Fire Chief. He recommends the necessary steps are taken to correct the City Code.

It was moved by Vice Mayor Ortega, seconded by Councilman Andazola and carried unanimously to approve the recommendations presented by the city manager and the investigative team. **MOTION ADOPTED**

Mayor Kouts read a closing statement. *Chief Bingham, it was clearly identified that the city of Safford Volunteer Fire Department fire-fighters, under the leadership of Chief Bingham is well trained, and ready department to respond. For that I commend you, I thank you for that, for your leadership, for your guidance. I appreciate that you have your fire-fighters ready to respond. Thank you!*

15. **ADJOURN:** It was moved by Vice Mayor Ortega, seconded by Councilman Andazola and carried unanimously to adjourn regular council meeting at 8:59 p.m. **MOTION ADOPTED**

APPROVED:

Jason Kouts, Mayor

ATTEST:

Georgia Luster, MMC, 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 Council Minutes of the Safford City Council, Graham County, Arizona held Monday, July 22, 2019 and approved at a Regular Council Meeting held on Monday, August 12, 2019. I further certify the meeting was duly called, held and that a quorum was present.

Georgia Luster, MMC, City Clerk

August 12, 2019

Date: