



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

**CITY OF SAFFORD - COUNCIL WORK SESSION MINUTES
MONDAY, APRIL 23, 2012 @ 6:00 PM
PHELPS DODGE ROOM - LIBRARY**

PRESENT: Wyn “Chris” Gibbs, Mayor; Council Member’s Ken Malloque, Mary Bingham, Jacque Attaway, Gene Seale, and Arnold A. Lopez.

ABSENT: Jason, Kouts, Vice Mayor

STAFF PRESENT: David Kincaid, City Manager; Sandra Findley, Executive Secretary; Christine Fisher, Personnel Director; John Griffin, Police Chief; Don Knight, Director Management & Budget; Ann Waite, Finance Director; Jan Elliott, Library Director; Randy Petty, City Engineer; Dustin Welker, Planner/Downtown Manager; Marion Gauna, Tisha Clark, Kim Larkey, and Georgia Luster, City Clerk. Sam Napier, IT Lead Specialist, assisted with the audio/video recording of the meeting.

OTHERS PRESENT: Raymond A. Lonser, Sherry Brady, Steve McGaughey.

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at p.m.
2. **ROLL CALL:** A quorum of the Council was present (6)
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
4. **OPENING PRAYER:** Pastor Sherry Brady of the First United Methodist Church offered the opening prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS: NONE**
6. **LIBRARY POLICIES:** Review proposed Library Policies. The library staff and advisory board continues to develop a full range of policies for library operations, and to revise existing policies to meet current conditions.

City Manager Kincaid asked the council to present their comments/concerns regarding the proposed library policies: Interlibrary Loan, Claims Returned or Claims Never Had, and one new Policy: Petitions, Leafleting, and Solicitation. He noted that the Library Board is recommending the council consider adopting the policies. There were no comments received from the Council. City Manager Kincaid stated the proposed policies will be presented to the Council for adoption at the May 14th council meeting.

7. **SPECIAL EVENT APPLICATION:** The Relay for Life of Graham County Event is a Council approved annual event. The event will begin on Friday, May 4th at 5:00 p.m. through Saturday, May 5th ending at 8:00 a.m. The Event will be held on the baseball field at the Graham County Fairgrounds. The committee has requested the City of Safford to provide 300 chairs, 25 tables, BBQ Grill and assistance with setting up/taking down two tents for the event. City Manager Kincaid reminded the council that the Relay for Life Event is an approved annual event by the council. Council and staff have provided assistance for this event in previous years. However, this year the event will begin on a Friday evening, May 4th and end on a Saturday morning, May 5th. The committee has requested the City provide assistance with setting up 300 chairs, 25 tables, BBQ grill and two tents.

There was discussion regarding the council providing assistance for the Relay for Life of Graham County Event with the set up and take down of chairs, tables, BBQ grill and tents. The council volunteered to set up the equipment for the event, but opposed to setting the tents because it takes someone with the knowledge to correctly set up the tents and possible windy conditions. Another concern is that city offices are closed on Friday; therefore, staff will be required to work overtime. Staff will be out Saturday morning assisting with the Cinco de Mayo Parade and will provide assistance with taking down the chairs, tables and BBQ grill for the event. Mr. Lopez arrived late to the meeting. Mayor Gibbs informed Mr. Lopez what the council and staff will assist with for the event.

It was moved by Councilman Malloque, seconded by Councilmember Bingham, and carried unanimously for council and staff to provide support for the Relay for Life Event of Graham County to be held May 4th and May 5th at the Graham County Fairgrounds. Providing and setting the tents is excluded from the support.

MOTION ADOPTED

8. **COMPREHENSIVE ANNUAL FINANCIAL REPORT:** Review of the City of Safford Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2011. City Manager Kincaid explained the Comprehensive Annual Financial Report (unaudited) is what staff refers to as the CAFR. The report provides a fairly detailed summary of where we finished the 2011 Fiscal Year. He stated a few pages of the CAFR will be highlighted and a review of ratios of the financial statements will be presented. He explained these ratios are really reviewed by financial firms when seeking financing of any kind (bonding, borrow from bank). He turned the time over to Ann Waite. He encouraged the council to ask questions at any time.

Ann Waite reviewed and explained sections of Financial Statements. She pointed out that the forms are summarized:

- Page 19, Government-wide Financial Statements; referred to Page 21, Statement of New Assets which provides the difference between Assets and Liabilities for both governmental and businesslike.
- Page 22, Statement of Activities- indicates governmental expenses, program

revenues

- Page 23, Business-type activities expenses and revenues (very summarized)
- Page 5, **Management's** Discussion and Analysis (MD&A). Ann encouraged the council to read this section because it highlights financial information and ties back to the statements, giving some explanation of what has occurred during the year. It also explains how the government wide financial statements are reported (Page 6), and fund financial statements.
- Page 25, Fund Financial Statements. She explained Fund Financial Statements ties back to the General Fund, Highway User, Street Reserves and non-major governmental funds. Looking at monies or activities.
- Page 30, Statement of Revenues, Expenditures and Changes in Fund Balances. Does not include debt, just what was spent and received.
- Page 34, Statement of Net Assets, Utility Divisions split out to separate funds (Landfill, Airport, Water, Wastewater, Gas, and Electric). Last time funds were reported separately was in 2001. This is year one of the reclassification and will begin to see each fund balance increase or decrease.
- Page 36, Statement of Revenues, Expenses and Changes in Fund Net Assets. She pointed out that the landfill closure reserves have been reclassified under liability for landfill closure.
- Page 44, Notes to Financial Statements. She pointed out that the Notes section provides a trend of what has occurred with each fund.
- Page 75, Schedule of Revenues, Expenditures and changes in fund Balances - Budget and Actual (Required Supplementary Information).
- Page 113, Statistical Section (unaudited). Presents financial statement trends as well as detailed financial and operation information not available elsewhere in the report. Provides long-term look at trends and activities over a long period of revenues and expenses.

Additionally, Ann reviewed ratios of combined Governmental & Business Type Activities for the period of FY 05 through FY 2011. Information taken from the **City's Comprehensive Annual Financial Report - Statement of Net Assets.**(attached)

- Quick Ratio or Cash Ratio, Total cash investments are divided by current liabilities. Conservative approach to assess whether the City can use its near cash or quick assets to meet current liabilities. A company with a Quick Ratio of less than 1 cannot quickly pay off its current liabilities. (Total Cash & Investments/Total Current Liabilities)
- Current Ratio - A financial ration that measure whether or not the City has enough resources to pay its debts over the next 12 months. Compares the **city's** current assets to its current liabilities. A current ratio of assets to liabilities of 2:1 is usually considered to be acceptable (i.e., current assets are twice your current liabilities). (Total Current Assets/Total Current Liabilities)
- Debt to Total Assets Ratio - The Debt/Asset ratio indicates the proportion of a

company's assets which are financed through debt-the ratio of total debt (current liabilities & long-term liabilities) and total assets. (Total Debt/Total Assets).

City Manager Kincaid pointed out that this type of information is very important and useful for the long term planning needs of a municipality. Because of this need, staff is developing five-year plans that will provide that long term view.

At this time, Mayor Gibbs informed Mr. Lopez, who just arrived at the meeting, how the City is going to assist with the Relay for Life Event, May 4th & 5th.

9. **REVIEW OF THIRD QUARTER REVENUES AND EXPENDITURES:** City Manager Kincaid will provide a Summary of Revenues and Expenditures for General Government and Utilities for the third quarter (July 2011 thru March 2012). A Summary of General Government Revenues and Expenditures for the third quarter, July 2011 thru March 2012 was reviewed. City Manager Kincaid explained the report is a snapshot of the 2012 budget at the end of the third quarter, 2012 Fiscal Year. The first and second pages are a Summary of General Government Revenues and Expenditures by department. Total general fund expenses equal approximately 69% of what was budgeted. Budget **doesn't** necessarily reflect revenues because a budget is a best estimate of where we will be at the end of the year. (69% of actual expenditures; actual revenues is about 70%). Page six of the Summary is actual General Government Revenues by category. Revenues do lag one month, but expenses do not (8 month revenues and not 9 month revenues).

Page 3 - Summary of Utility Resources and Expenditures 3/2012

Page 4 - History of Local Sales Tax collections (9 months - July thru March)

Page 5 - Local City Sales Tax Collections by Category

Next Meetings: Monday, May 7th Budget Work Session; Tuesday, May 29, 2012, Work Session Cinco de Mayo Parade - Council will participate.

10. **ADJOURN:** It was moved by Councilmember Attaway, seconded by Councilmember Bingham and carried unanimously to adjourn the meeting at 7:10:44 p.m. **MOTION ADOPTED**

APPROVED:
