



“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  
MONDAY, JUNE 4, 2012 @ 6:00 PM  
PHELPS DODGE ROOM - LIBRARY**

**PRESENT:** Wyn “Chris” Gibbs, Mayor; Mary Bingham, Vice Mayor; Council Member’s Ken Malloque, Gene Seale, James D. Howes, Richard Ortega, and Arnold A. Lopez.

**STAFF PRESENT:** David Kincaid, City Manager; Christine Fisher, Personnel Director; John Griffin, Police Chief; Don Knight, Director Management & Budget; Ann Waite, Finance Director; Jan Elliott, Library Director; Vicki Foote; Sally Holguin; Marion Gauna; Linda Aguilar; Randy Petty, City Engineer; and Georgia Luster, City Clerk. Dale Clark, IT Support Specialist, assisted with the audio/video recording of the meeting.

**OTHERS PRESENT:** James Bryce, Tisha Clark, Marion Gauna, Kelly Price, Shay Haun, Mike Gaines, Lauri Whelton, Nancy Shauman and others who did not sign in. Jon Johnson, Eastern Arizona Courier.

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:01:54 p.m.

Mayor Gibbs led the Pledge of Allegiance to the Flag. Arnold Lopez offered the Opening Prayer.

2. **ROLL CALL:** A quorum of the Council was present (7).

3. **BUDGET WORK SESSION:**

City Manager Kincaid explained the difference within the supplies budget of the Landfill Division which includes waste tires. He stated that the State of Arizona requires the landfill to accept used tires. The City pays someone to haul the tires off and then the State reimburses the City. The Landfill Budget includes a separate line item that will account for used tires. Also, the posi-shell was moved to a capital line.

➤ **Boys and Girls Club**

City Manager Kincaid stated a few meetings ago a discussion were held with the Boys and Girls Club. At that point and time a budget was presented to the Council that was commensurate with what the Council had directed staff to do for FY 2012-2013. That budget reflected: utilities, rent for building, and a contribution of approximately \$20,000. At the last regular council meeting, Councilman Kouts requested the Boys & Girls Club Budget be revisited. Staff has

not received any specific requests from the Boys & Girls Club.

Don Knight explained the FY 2012-2013 Budget reflects utility expenses of \$20,000 for the Safe House and \$12,000 for the Boys and Girls Club. Additionally, budgeted is a donation of \$20,000 and \$9,600 for playground lease of property. The City owns the building of which Building Maintenance maintains the building.

James Bryce, Boys and Girls Club CEO, distributed a handout about the Boys & Girls Club of The Gila Valley. He pointed out the Mission Statement of the local club and the Mission Statement of the National Club. He believes the National Club's Mission Statement is the goal of everyone at this table. "To enable all young people, especially those who need us most, to reach their full potential as **productive, caring, responsible citizens.**"

Mr. Bryce referred to Page 2 of his document which read: "**What can I do as a City Council Member to Help the Gila Valley Boys & Girls Club?**"

1. Approve the 2011/2012 budget with \$150,000 for the club. This is the most immediate and most needed at the moment.
2. Become a personal supporter of the club. By associating yourself with the club you help to bring awareness to the community and the citizens you serve, thus becoming a resource, both financially and practically.
3. Be a good example to the children of the club. Show them that the reason the club exists is because the City of Safford believes in promoting citizenship and understands what a community should be.

Finally, Mr. Bryce referred to Page 3, an overview of actual budget, actual expenses, actual deposits, beginning balances, ending balances, and a snapshot of what the City of Safford has provided to the club. He stated the budget is 35% less of what the City provided last year.

Mayor Gibbs asked for clarification of the 2011-2012 budgets which was \$130,000 instead of \$150,000. Mr. Bryce clarified their request for assistance is the same as what was budgeted last year, \$130,000.

City Manager Kincaid recapped last year's expenses for the Boys & Girls Club. \$130,000 was budgeted. It was agreed to direct expense all expenses of the club through the point and time of when they branched off on to their own. After that, the remaining balance was paid to the club in 3 equal (quarterly payments). A check in the amount of \$28,622.00 was provided for the second and third quarter

to the club. He pointed out that one other payment is due. Balance of funds left is \$25,125.24 that will be paid to the club on June 1<sup>st</sup> based that no other direct expenses between now and that point and time are received. A city van was also titled to the Boys & Girls Club.

Mr. Bryce clarified that he is asking the Council to consider donating \$30,000 a quarter (\$120,000 donations plus utilities of \$30,000) for FY 2012-2013. He stated the **club's** goal is to have the City be one of many contributors and not the total supporter. Additionally, he stated a corrected 501(c)3 (Non-Profit status) application was submitted on May 20<sup>th</sup>. At this time the club does not have a non-profit status.

Councilman Ortega stated that he believes the Council should help fund the club as much as the City can for one more year in an attempt to help the club make that transition.

Mayor Gibbs pointed out that the year before that, the council budgeted \$233,000 and gave the club one year to become self-sufficient. At the end of that year, the Council funded the rest of the summer program and assisted with other expenses. He asked the city manager if the city could contribute to the club without a non-profit status.

City Manager Kincaid responded that entering into contracts with entities without that non-profit status is discouraged because of auditing. Although a conditional agreement may be considered. Another concern is that the IRS is not providing 501(c)3 status anymore because they are supposed to be educational entities. The IRS is leaning towards c-6.

Mr. Bryce stated three years is not an unreasonable time to phase out into a self-sufficient club. They are attempting to get the wheels in motion - finally have a handle on administration, working on board improvement and begin to tackling the problems.

Councilman Seale inquired about the amount that had been paid in dues. (approximately \$19,000)

City Manager Kincaid commented that if the Council wished to pursue funding the club, they must be accountable. Stipulations should be made in the agreement that ancillary items are paid for by private sources.

Mayor Gibbs commented that since July, the Club used \$163,665. He questioned where this funding was utilized.

Mr. Bryce responded that 80% possibly was payroll. The club has a staff of seven: 2 full time employees and 5 part time employees; 1 employee at director's fee and 6 at minimum wage.

Councilman Lopez stated that he is the club liaison and would like to have more time to learn more about the club.

Councilman Malloque asked Mr. Bryce to provide a business plan for the Boys & Girls Club to move the club forward. He stated he is not opposed to helping the club.

It was the consensus of the Council to bring the Boys & Girls Club back to the June 25<sup>th</sup> Work Session. They encouraged Mr. Bryce to present a business plan and the Council will discuss possible budget for the Boys and Girls Club at that meeting.

➤ Attorney

FY 2011-2012 = \$219,315; FY 2012-2013 = \$219,315; Mr. Kincaid reviewed the Attorney budget which remains flat. The debt service is for the purchase of the attorney building.

Councilman Ortega recommends giving consideration to evaluating a full-time in-house attorney.

Mr. Kincaid responded that a budget for having a full time in-house attorney would be approximately \$250,000. The complete budget including a full-time in-house attorney would be approximately \$400,000. He will provide a more specific budget to indicate expenses.

➤ Magistrate

FY 2011-2012 = \$198,606; FY 2012-2013 = \$216,863; FY 2012-2013 Budget Increased 9.19%. Mr. Kincaid called Linda Rosales forward to address the Council regarding any questions. It was noted the City Magistrate is a contract employee.

➤ Financial Services

FY 2011-2012 = \$464,190; FY 2012-2013 = \$472,370; FY 2012/2013 budget increased 1.76%. Ann Waite stated the Divisions Goals and Accomplishments are included for the Council to review. She explained the increase in the Financial Services budget (Lisa Suter and Tisha Clark will receive longevity increases). She noted the budget for Professional Services may decrease. A Request for Proposals was done for Auditing Services. She is in the process of reviewing three proposals received and will provide a recommendation to the Council for consideration. Dues and Subscription budget increased due to increase in subscription

➤ Human Resources

FY 2011-2012 = \$255,339; FY 2012-2013 = \$263,907; FY 2012/2013 Budget Increased 3.36%. Mr. Kincaid stated the H.R. Department has been very busy this year with retirements and turnovers, recruitments, etc. He noted that the Personnel Manual will be updated this next fiscal year to bring the Manual in compliance. As directed by previous council, the budget for Professional Services includes funding for an insurance consultant to look at health insurance rates. Contract Employee: Christine Fisher will be eligible to retire and go on Smartworks in December.

➤ Library

Mr. Kincaid asked the Council to keep in mind the possible impact that a Library District may have on Library services. He noted that Jan Elliott will retire June 30, 2013 and part of the discussion includes her replacement. Don Knight explained that the comparison follow-up information was not included. Don or Jan will e-mail that information to the council.

Jan Elliott asked the Council to step through the **Library's** doors to really see what they do. Today the Public Library provides more than just easy reading material. In fact, public libraries are an American Institution and were uniquely formed to allow people of lesser means to have access to educational materials to make them better informed citizens and better contributors to the country and the economy. Library information is available via the internet, informational resources databases, on-line tutoring for students, and many other educational resources. Library operations have been guided by Strategic Plan implemented in 2009. The Strategic Plan was done by a citizen committee and not library staff. She reviewed the five goals set up by the Strategic Plan. She pointed out major accomplishments for FY 2011/2012 was reviewed (attached). Additionally, Ms. Elliott reviewed 2012/2013 Initiatives. One of her big concerns is finding a successor for the library director position. She also pointed out that within the next eighteen months, three lead staff members will retire, which will leave a big gap of expertise and agency history. She encouraged training someone who knows the functions of all three positions and can either do those jobs or help others learn those jobs. The library is guaranteed \$175,000 of grant income within the next three years if we get someone on staff who knows how to manage grants, knows the existing projects, and can write the grant applications to keep those grants coming in. She also hopes to form another strategic planning committee to update the **Library's** Strategic Plan and have it available for the new director. Significant Changes in 2011/2012 were reviewed. Registered 961 new library customers in the last 10 months; recruited and trained more volunteers to assist covering staff losses. However, decline in customer service standards and library materials organization due to the use of volunteers in place of trained staff, declined in number of materials available, and increase in errors on customer accounts. Library funding: General Fund - 69%; Grants-26% and Graham County contribution to General Fund - 5%. User base- less than half of the users of the Library are Safford residents and the rest are from outside the city limits resulting in a big

discrepancy in funding. Have the possibility in making a difference this year. The current library budget is sufficient as a city library budget, to serve 6-10,000 people, but serving 14,000 and starting to see the deterioration of the equipment of the collection and intense busyness of the staff because we are not equipped to deal with the amount of people coming in the door. As a department head she pointed out to the council that it's unfair to its constituents that the collection and service are not up to standard and the service population is not in balance with the money. Have a couple of things going that might rectify the situation this year; The Council could take the very brave step of declaring this a city library and only opening it to city residents, or support and become knowledgeable about a proposed library district referendum. A Citizens For the Library Group is attempting to get a Library District Referendum on the ballot in November. If a Library District is formed, the district would collect funding from the entire County instead of just one area of the county.

Mr. Kincaid pointed out that staff cannot have petitions at city facilities/properties or carry petitions.

Ms. Elliott reviewed authorized positions of the Library. She is requesting a Director trainee in the FY 2012/2013 budget. She reviewed major changes in the General Fund Library Budget: FY 2011-2012 = \$451,752, FY 2012-2013 = \$496,362, FY 2012/2013 Budget Increased 9.87%; General Fund Library Special Grants - FY 2011-2012 = \$242,840, FY 2012-2013 = \$408,885; FY 2012/2013 Budget Increased 68.38%; (Ms. Elliott pointed out that grant funding employees 2.7 positions) Library Trust - 2011-2012 = \$23,000; FY 2012-2013 = \$25,000, FY 2012/2013 Budget Increased 8.70%.

**Ms. Elliott reviewed the Library's Five Year Capital Plan (attached).**

City Manager Kincaid stated staff will compile revenues in the General Fund and will be making recommendations to the Council for consideration.

It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to recess the meeting at 7:34 p.m. and to reconvene the meeting on June 5<sup>th</sup> at 6:30 p.m. to attend a presentation on programs offered by First Things First.

**MOTION ADOPTED**

The meeting was reconvened at 6:30 p.m. on June 5<sup>th</sup> at the Phelps Dodge Room. Those present were Mayor Gibbs, Richard Ortega, Arnold A. Lopez, James D. Howes, David Kincaid, Mary Bingham, Georgia Luster, Jan Elliott, Lacie Crandall, Shari Elkins and Paulette LeBlanc.

Paulette LeBlanc, First Things First Outreach Coordinator, reviewed the programs of the First Things First Program. She explained the presentation is about the importance of early literacy and the future of taxpayers. First Things First and the library have become

