



**“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/SPECIAL COUNCIL MEETING MINUTES
MONDAY, March 25, 2013 @ 6:00 PM
Safford Library Program Room, 808 S. 7th Avenue, Safford, Arizona**

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

DEPARTMENT HEADS’ 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; Randy Petty, City Engineer; Eric Buckley, Utilities Director; Leanne McElroy, Library Director; Jenny Howard, Public Works Director; Dustin Welker, Planner/Downtown Manager; and Georgia Luster, City Clerk. Dale Clark, IT Assistant and Sam Napier, IT Specialist, assisted with the audio/video recording of the meeting.

OTHERS PRESENT: George Lemon, Mayor of Town of Pima; Kim Larkey; Tisha Clark; Sally Holguin; Vicki Foote; Mark Efros; Deana Stone, Gila Water Shed; Glen Orr; Erik Swanson; Clark Bingham; Steven Blackman; James Bryce; Gale Hedges; Linda Burrell; Susan Duros; Jeremy Samuels, Severn Trent; and Vicki Foote. Jon Johnson, Eastern Arizona Courier, and others who did not sign in.

- 1. WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00 p.m. He recognized Mayor George Lemon from the Town of Pima.
- 2. ROLL CALL:** A quorum of the Council was present (7).
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the flag.
- 4. OPENING PRAYER:** Rev. Ann Johnson offered the opening prayer.
- 5. Discussion on the renewal of the Severn Trent Agreement for Operations at the Wastewater Treatment Facility. Term of current agreement: July 1, 2009 – July 1, 2013.**

City Manager Kincaid explained that this item is for discussion only. He then provided a brief history of the operations of the Wastewater Treatment Facility. He stated the term of the agreement remains in force until July 1, 2013; thereafter, the agreement shall automatically renew for successive five (5) year periods. An amended and restated agreement for the wastewater facility between the City of Safford and Severn Trent is being presented tonight for Council review. When the agreement was originally drafted, the City did not have much history regarding the operations and maintenance of the facility. He pointed out that the proposed agreement is a more simplified agreement of which complicated base compensation formulas and base electricity use charges were eliminated from the contract. Through the negotiation process, Severn Trent prepared an Asset Report of the facility that identifies, assigns risk rating, the condition, and essentialness of the equipment of the plant. The report will be a tremendous value to the City for the purpose of planning maintenance and replacement of the equipment of the facility.

The Council agreed to have staff bring the proposed agreement back to Council for their consideration.

6. Discussion on Budget Process/Review estimates of State Shared Revenues and City Sales Tax for 2014. City Manager Kincaid distributed a calendar indicating a proposed budget schedule (state mandated) with deadlines. He reviewed projected revenue estimates in General Government for FY 2014 compared to FY 2013:

- City Sales Tax 6.000% increase: He explained the numbers are state projected numbers for 2014 in comparison to state numbers budgeted for 2013. Most of the state's numbers are estimates and using the budgeted numbers from 2013 because HURF and Auto Lieu funds are slightly below what the state projected. Estimating City Sales Tax to increase about 6.0%. To date city sales tax is up about 10.0% over last year. Trend for city sales tax thru December is 8.0% – 10.0%; but, have no projections after December.
- Auto Lieu (Vehicle License Tax): State projecting 3.209% increase
- HURF: projecting -0.015% decrease
- State Sales Tax: projecting 3.333% increase
- State Income Tax: projecting 9.219% increase

Therefore, an overall projected increase of about 5.498% increase is expected for General Government Fund. He pointed out HURF and Auto Lieu funding along with the ½ cent sales are all dedicated to the street fund. These funds assist with the

pavement preservation program. City sales tax, state sales tax and state income tax funding go into the General Government Fund. He referred to the second page which is a comparison of year-end city sales tax collections. The high water mark continues to be FY 07/08 and we are still \$1.2 million dollars shy of what was collected in 2007/2008. Still in very modest recovery phase (15% behind good year of 07/08). The third page graph depicts a 7-year History of City Sales Tax Collections. Finally, page 4, he reviewed a graph depicting a 5-Year History of State Shared Revenue with Current Year Budget and Projections for 2014. State shared revenues peaked in 07/08, dropped off, and are slightly climbing back up. State income tax is lagging two years.

The Council agreed to begin budget discussions at the April work session. Additional work sessions may be called if needed. Mr. Kincaid also noted that the following positions will be considered in this budget process: Community and Economic Development Director (position has been vacant 3 years); Police Officer position; and a split position Solid Waste Collector (½ time)/Building Maintenance Division (½ time).

7. Review and discussion of Special Event Application: Water Hole Festival. Deana Stone explained the proposed Water Festival is a family event to promote water conservation and awareness. All watershed partners will be invited. The event is planned for June 1st beginning at 10:00 a.m. running through the afternoon until 4:00 p.m. on the City Hall lawn area. The committee is anticipating receiving grant funds to help fund the event.

Mayor Gibbs believes the event will be an opportunity to inform the public about water conservation/awareness. The item is on the agenda of the special council meeting and the Council may take action.

8. Review and discussion of Special Event Application: Main Street Family Festival. Susan Duros and Mark Efros explained the Main Street Family Festival is an event under the umbrella of the Safford Downtown Association. The purpose of the event is to promote businesses residing in the downtown Safford area by increasing traffic during events, thus enabling direct sales at the events, as well as increasing awareness of the downtown shopping corridor. The event will be a sidewalk and street fair featuring downtown businesses both in their facilities, on the sidewalks in portable displays and on carts. The goal is to feature entertainment on all four corners of the closed block along with roaming performers. Classic cars will be displayed on the street. Other displays and entertainment will be added as appropriate and available. The event will

probably take place in May if the Council approves. They hope to have the event 4-6 times a year. The location on the event will be on Main Street between Central and 5th Avenue and will require closure of the street to vehicular traffic.

There was discussion about the pros and cons of the City supporting such events. Where does the Council draw the line? The Council supports such events because they promote Safford businesses. Mr. Kincaid stated the City is not opposed to assisting with and promoting events; however, such events create financial hardships on the City's budget.

Susan Duros said the committee will seek sponsorships to help offset the costs for this event.

The item is on the agenda of the special council meeting and the Council may take action.

9. Discussion regarding Hangar P-12 at the Safford Regional Airport. Staff is requesting direction regarding selling or to continue leasing Hangar P-12. If Council prefers to sell Hangar P-12, an invitation to bid would need to be published. City Manager Kincaid asked the Council to provide direction regarding selling or retaining the hangar. He explained the balance owed on the hangar is \$90,000. He reminded the Council that if the hangar was sold, the City still owns the ground and would require a ground lease. The current occupant wants to purchase this hangar or build a new hangar. They are leasing the hangar on a month to month basis.

There was discussion to lease/retain the hangar. The Council agreed to take action on this item in the special council meeting.

10. Review and discussion of Salary Survey recommendations. City Manager Kincaid provided a brief history relating to conducting salary surveys. He stated the Council requested performing a salary survey every two years. He explained this salary survey was conducted utilizing base information provided by Public Sector Personnel Consultant that was done in 2006. Another in-house survey was conducted in 2008-salary adjustments were not implemented at that time despite recommendations. Finally, a salary survey was not conducted, as directed by city manager in 2010, because the City was in no position to implement adjustments. The Council recommended a salary survey be performed and presented in March of 2013. He noted that the 2013

survey revealed approximately one-half of the positions surveyed were below the median and are in need of upward adjustments. He noted salaries have fallen further behind because in 2008 many positions were recommended for an adjustment, but, were not adjusted. Salaries for these positions have fallen further behind and are in need of increases. He reviewed documents included in the survey: 2013 Salary Survey Results; Position Classification Listings; City-wide Position/Ranges; City of Safford Salary Schedule; League of Arizona Cities and Towns Salary & Benefit Survey 2013; and Local Entity Survey Results. He pointed out that management positions were not included in the survey. Salaries were surveyed based on Safford's mid-point and the mid-point of other external entities. Mid-point salaries do not reflect where employees' are today - some salaries could be a little higher and some could be a little lower based where they are on the salary range. He said the intent is to address the survey and to make recommendations to the Council as part of the budget process for FY 2013/2014.

There was discussion amongst the Council concerning addressing the survey during the budget process and implementing the survey recommendations and giving consideration to compensating positions that have fallen behind in salaries and compensating all employees across the board.

11. Discussion on water and water rates. City Manager Kincaid distributed two articles regarding water, published in the Arizona Republic (2011). One article is written about Mesa's need to conserve water, but goes against the need for revenue to maintain the system. The second article (2013) discusses growth and future water needs in the Phoenix metro area. Both articles are very appropriate for our situation today. He stated staff is continuing to work on many avenues regarding water. We should receive the water rate study anytime. Spoke with Governor's assistant last Friday regarding follow-up with Governor's office regarding information they were going to work with us; Thirdly, develop a slogan to assist with targeting water usage - 90 by 20 slogan – 90 gallons per capita per day by 2020.
12. **ADJOURN WORK SESSION AND ENTER SPECIAL COUNCIL MEETING:** It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to adjourn the work session and to enter the special council meeting at 7:48:13 p.m.
MOTION ADOPTED
13. **FIRST READING OF ORDINANCE NUMBER 13-001:** First Reading of Ordinance Number 13-001, adopting by reference, amending **Title 16, Subdivisions**, of the City of Safford

Municipal Code by reference and fixing the effective date thereof. Mayor Gibbs read the Title of Ordinance Number 13-001.

14. **FIRST READING OF ORDINANCE NUMBER 13-004:** First Reading of Ordinance Number 13-004, adopting by reference, effectuating a map amendment to the zoning map of the City of Safford, Graham County, Arizona, amending Title 17, Zoning, of the City of Safford Municipal Code. Mayor Gibbs read the Title of Ordinance Number 13-004.
15. **SPECIAL EVENT APPLICATION:** (Discussion occurred in work session). A monthly sidewalk and street fair to be held on the first Saturday after the 15th of each month (beginning April 20, 2013) on Main Street between Central and 5th Avenue. Consider approving/denying a Special Event Application submitted by Mark Efros, Applicant, to hold a Main Street Family Festival. It was moved by Councilman Seale, seconded by Councilman Howes, and carried 6-1 to approve two Main Street Family Festivals with the intent of the committee seeking sponsorships to hold additional events. The Council approved the City's participation with setting barricades and closing the street to vehicular traffic. Councilman Ortega opposed. **MOTION ADOPTED**
16. **SPECIAL EVENT APPLICATION:** (Discussion occurred in work session) Event to promote water conservation, sponsored by Gila Watershed Partnership. Event will be held on Saturday, June 1, 2013 from 10AM – 4PM on City Hall Lawn. Consider approving/denying a Special Event Application submitted by Deana Stone, Applicant, to hold Water Hole Festival, and all equipment requested to be donated by the City of Safford. It was moved by Councilman Malloque, seconded by Councilman Seale, and carried unanimously to approve a special event application to hold a Water Festival as requested and sponsored by the Gila Watershed Partnership. **MOTION ADOPTED**
17. **HANGAR P-12:** (Discussion occurred in work session). Consider directing staff to publish "Invitation to Bid" seeking bids to sell HANGAR P-12 at the Safford Regional Airport. It was moved by Councilman Lopez, seconded by Vice Mayor Bingham, and carried unanimously to TABLE any further discussion/action involving Hangar P-12 for three (3) months with the intention of bringing Hangar P-12 back to the Council for discussion and possible action. **MOTION ADOPTED**
18. **PROCLAMATION:** Proclamation proclaiming April as Graham County Drug Prevention Month. Mayor Gibbs read a Proclamation proclaiming April as Graham County Drug Prevention Proclamation.

Mayor Gibbs announced the Safford Downtown Association Appreciation Breakfast will be held Wednesday, March 27th at 8:00 a.m. in the Graham County General Service Building.

Councilman Lopez stated he has been approached by the Faith Groups within the community to ask Council/staff to encourage the community to offer prayer for rain to improve the water situation.

- 19. **ADJOURN:** It was moved by Councilman Malloque, seconded by Councilman Howes and carried unanimously to adjourn the work session and enter a Special Council Meeting at 7:59:51 p.m. **MOTION ADOPTED**

APPROVED:

Wyn "Chris" Gibbs, Mayor
City of Safford

ATTEST:

Georgia Luster, MMC
City Clerk

CERTIFICATION

STATE OF ARIZONA)
) ss
County of Graham)

I hereby certify that the foregoing minutes are a true and correct copy of the Council Work Session/Special Council Meeting of the Safford City Council, Graham County, Arizona held Monday, March 25, 2013, and approved at a Regular Council Meeting on Monday, April 8, 2013. I further certify the meeting was duly called, held and that a quorum was present.

Dated: April 8, 2013

Georgia Luster, MMC, City Clerk