



“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 /SPECIAL COUNCIL MINUTES
MONDAY, June 24, 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, Richard Ortega and James D. Howes.

STAFF PRESENT: David Kincaid, City Manager; Sandra Findley, Executive Secretary; John Griffin, Police Chief; Don Knight, Administrative Services Director; Ann Waite, Finance Director; Eric Buckley, Utilities Director; Randy Petty, City Engineer; Leanne McElroy, Library Director; and Georgia Luster, City Clerk. Dale Clark, IT Assistant, assisted with the audio/video recording of the meeting.

OTHERS PRESENT: Sally Holguin, Vicki Foote, Mark Tregaskes, Aimee Staten, James Bryce, Diane Junion, Steve Junion, Tisha Clark, Kim Larkey, David Morse, Valerie Buckley, Glen Orr, Steve McGaughey, and others who did not sign in.

- 1. WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00:19 p.m. He welcomed the Boy Scout Troop #5734 who are working on their merit badges.
- 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:** John Griffin offered the Opening Prayer.
- 5. Review and discussion of revised Purchasing Policy and Purchasing Procedures.**
City Manager Kincaid explained that the last Purchasing Policy was adopted in 1994 and need to be updated. As a result, the Purchasing Policy has been revised and updated. The Policy is required to be approved and adopted by the Council. The Purchasing Procedures are the staff side of implementing policies adopted by the Council and does

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not require approval by the Council. He turned the time over to Ann Waite, Financial Director, who provided the revisions of the Policy.

Ann Waite stated the Purchasing Policy is a first of a series of financial policies that will be presented to the Council. She said Heinfeld & Meech reviewed the Policy, looking at best practices throughout different cities and towns throughout Arizona. She highlighted the revisions to the Policy:

- Section 3, Purchasing Ethics
- Section 4, Approval of Purchases
- Section 8, Referring to Arizona Administrative Code R2-7-501
- Section 9, Exceptions to Bidding Requirements
- Section 10, Formal Bidding

It was the consensus of the Council for staff to bring back the Policy to Council for adoption at the July 8th Council Meeting.

6. **Discussion regarding non-resident swimming pool rates for the Safford Municipal Swimming Pool. (Requested: May 28th Meeting).** City Manager Kincaid stated Items #6 and #7 are tied together in some respect. He reviewed a comparison of swimming pool fees within the Gila Valley (EAC Pima, Safford). Fees are pretty much in line with each other. The theory of having non-resident fees is a good concept but not really a practical thing to do because it is very difficult to identify residents. Mr. Kincaid noted that the City of Safford provides the Safford swimming pool at no charge, to all school districts within the county for end of the year parties. Those parties are costing the City approximately \$6,000 (parties usually last 2½ hours, provide twelve life-guards).
7. **Discussion regarding non-resident Library rates for the Safford City, Graham County Library. (Requested: May 28th Meeting).** City Manager Kincaid stated it is the same scenario in relation to the Library - good theory in concept, but not very practical. The Library receives state funding because it is a designated county library. Therefore, a fee structure could be developed for non-residents, but the Library would lose its state funding. Four counties do not have library districts. It would be very difficult to make up that funding through a non-resident fee structure. He believes the correct thing to do is to continue pressing our partners in the Valley to assist with the funding of the Library

and not go to a non-resident fee structure. It was noted that participants of the library are about 45% Safford residents and 55% non-residents. Graham County provides \$32,000 annually to the Library and the State provides \$23,000 to the library because of its designation of a county library.

The Council agreed that the Library is a community service the City provides and believes everyone needs to step-up and hold up their end. Mayor Gibbs and the Council directed the City Manager to provide a written request to the Thatcher Town Council requesting to be on their next agenda to request financial assistance and support of the Library.

8. **Discussion of lease language in agreements relating to maintenance and utilities of City owned properties.** (Discussed at last meeting) City Manager Kincaid reviewed the lease language from various leases of city owned buildings relating to maintenance & utility responsibilities. All leases, except the Golf Course House Agreement, require the Lessee to keep and maintain premises and pay utility services.

There was discussion about the refrigeration unit going down at the Boys & Girls Club. The current lease states it is the responsibility of the lessee to maintain the building. However, Mayor Gibbs believes it is appropriate, as to the landlord, to repair the unit. The City Manager recommended the Council discuss this item during the discussion of the Boys & Girls Club Agreement.

Will continue discussion during the discussion of Item #13.

9. **Discussion and direction regarding Notice of Intention to increase water rates based on the Water Cost of Service Study and Rate Design.** City Manager Kincaid distributed a copy of revised Water System Cost of Service and Rate Study and a copy of the PowerPoint presentation. He explained the revision reflects the 4th tier commencing at 40,000 gallons instead of 50,000. Secondly, the commodity charge decreased approximately four cents. The Notice of Intention to increase water rates is provided for Council's direction.

It was moved by Councilman Howes, seconded by Vice Mayor Bingham and carried unanimously to direct publication of a Notice of Intention to increase water rates. A Public Hearing will be held to hear public comments on July 24, 2013.

MOTION ADOPTED

10. **Review Final Budget Summary before Tentative Adoption, July 8th.** City Manager Kincaid asked the Council to review the summaries so that the final documents may be prepared for adoption. The tentative budget adoption will occur on July 8th. He reminded the Council that once the tentative budget is adopted, the budget may decrease but cannot increase. A summary of general government and utilities as discussed throughout various work sessions was provided. Additionally, a summary with the proposed 3% Salary adjustment and without the 3% salary adjustment for employees was provided for comparison.

There was discussion about the proposed FY 2013/2014 Budget. The Council discussed cutting services in order to fund essential services. Mr. Kincaid explained staff have gone back and reviewed their individual budgets, line item by line item, and made additional cuts in some areas. The proposed budget, funds services at their current service levels (streets, library, police, etc.). He added the budget is not greater than what has been presented to the Council. The only difference is that internal service funds are now included which slightly increases individual budgets. He also pointed out that recommendations of the salary survey are included in the proposed budget.

Vice Mayor Bingham recommended giving a one-time 3% employee bonus this fiscal year and to consider a 3% salary increase next year if the economy is sustainable. She asked for verification that Smartworks employees receive 3% bonus.

There was discussion about providing a permanent 3% employee salary increase as compared to a one-time 3% bonus.

It was the consensus (4-3) of the Council to present the proposed Fiscal Year 2013-2014 budget reflecting a 3% one-time bonus to all employees. The Tentative Budget will be adopted July 8th.

ADJOURN WORK SESSION AND ENTER SPECIAL COUNCIL MEETING: It was moved by Councilman Malloque, seconded by Councilman Howes, and carried unanimously to adjourn the work session and enter the special council meeting at 7:35:17 p.m. **MOTION ADOPTED**

11. Consider approving and adopting Resolution Number 13-026, a resolution of the City of Safford, Graham County, Arizona designating certain depositories, and persons authorized to sign related documents and agreeing to certain conditions with JP Morgan Chase Bank, Safford, Arizona.

It was moved by Councilman Malloque, seconded by Councilman Lopez, and carried unanimously to approve and adopt Resolution Number 13-026, a resolution of the City of Safford, Graham County, Arizona designating certain depositories, and persons authorized to sign related documents and agreeing to certain conditions with JP Morgan Chase Bank, Safford, Arizona.

MOTION ADOPTED

12. Consider approving and adopting Resolution Number 13-027, a Resolution of the City of Safford, Graham County, Arizona extending and amending an Intergovernmental Agreement between the City of Safford and the Safford Unified School District for Joint Use Facilities and authorizing the Mayor execute such.

City Manager Kincaid stated the Joint Use of Facilities Agreement has been in force for some time between the Safford School District and the City for use of facilities. He said that Dr. Tregaskes is present tonight to discuss the proposed agreement. In the past the City has used the school district's facilities and the school district has used city facilities for a variety of programs. At the current time, it appears there is no benefit to the City nor the District. The City does not use any of the District's facilities currently. One benefit of the agreement includes allowing the City to use the Fine Arts Building at the same rates as non-profit organizations. However, the City does not use the Fine Arts Building for any of its programs. He is not sure the agreement is an equitable agreement because the City does not have any programs that truly use the District's facilities. The City allows a couple of organizations to use its insurance (youth basketball program, and junior wrestling program), but they are not City sponsored programs. However, he is not opposed to assisting the District in other ways. He reviewed revisions in the agreement which includes the City providing sweeping and crack filling

of the District parking lots. Crack sealing can be expensive and the District has agreed to pay for the cost of materials.

Mayor Gibbs invited Dr. Tregaskes to address the Council at this time.

Dr. Tregaskes believes part of the difficulty is how a program is defined - what is a city program and what is a district program? He said their understanding is that any program under the City's liability umbrella is a City sponsored activity/program. Therefore, these programs are allowed to use the District's facilities at no cost. He stated the wrestling and junior basketball programs exceeded \$15,000 that the District would have collected as rent, but did not because they felt the programs were a City sponsored program. The Joint Use Agreement needs to work for both entities from a fair and equitable basis. What extent does the Council want to participate?

There was a lengthy discussion regarding the terms of the agreement regarding, sweeping parking lots, crack sealing, District students, providing recreational youth programs, city programs, demand on District facilities, etc. Section I. Duties of the District and Section II, Duties of the City, changing language allowing city manager to work with school district, in-kind services language, were discussed. The Council recommended revising the language in Section I and II of the agreement to read:

Sections I and II: (Pg. 2 of 7, Second sentence): for services to be rendered **mutually agreed upon** by the CITY...

City Manager Kincaid commented that at one time (3-4 years ago) the Boys and Girls Club utilized the District facilities through the partnership of the City and the District.

Dr. Tregaskes commented that the Board would need to know what direction the City wants for joint use of facilities. This is the first time in years that there has been any dialogue between entities. If it's not beneficial to both parties, maybe there is no need to even have an agreement. He that said he would take the agreement back to the School Board for its consideration and approval.

The Council unanimously agreed to amend the language of the agreement by deleting the language highlighted in bold red capital letters on Page 2 of 7, Sections I & II to read:

Section I.

The DISTRICT agrees to rent to the CITY such District facilities as the CITY may request for leisure or recreational purposes in exchange for services to be rendered **mutually agreed upon** by the CITY in accordance with the provisions of this Agreement. The DISTRICT'S obligation under this section is subject to the availability of the facilities sought conditioned upon the need by the DISTRICT for the facilities. **~~DISTRICT WILL SCHEDULE CLEANING AND CRACK FILLING OF DISTRICT PARKING LOTS WITH CITY. DISTRICT WILL PAY FOR COST OF CRACK FILL MATERIAL AS BILLED BY CITY.~~**

Section II.

The CITY agrees to rent to the DISTRICT such City facilities as the DISTRICT may request for its education programs in exchange for services to be rendered **mutually agreed upon** by the DISTRICT in accordance with the provisions of this Agreement. The CITY'S obligation under this section is subject to the availability of facilities sought conditioned upon the need of the CITY for the facilities. **~~THE CITY WILL PROVIDE SWEEPING OF DISTRICT PARKING LOTS ON A QUARTERLY BASIS AS SCHEDULED BETWEEN THE DISTRICT AND CITY. THE CITY WILL FILL CRACKS IN DISTRICT PARKING LOTS AS SCHEDULED BETWEEN CITY AND DISTRICT. CITY WILL BILL DISTRICT FOR COST OF MATERIALS.~~**

It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to approve and adopt Resolution Number 13-027, a Resolution of the City of Safford, Graham County, Arizona extending and amending an Intergovernmental Agreement between the City of Safford and the Safford Unified School District for Joint Use Facilities and authorizing the Mayor execute such with amendments as stated above by redline and strikeouts.

MOTION ADOPTED

13. **Consider approving Agreement for Contracted Services between the Boys and Girls Club of the Gila Valley and the City of Safford, effective July 1, 2013 through June 30, 2014.** City Manager Kincaid asked the Council to provide direction in regards to the maintenance of the facility.

Mayor Gibbs invited Aimee Staten, Director, of the Boys & Girls Club to address the Council.

Aimee Staten expressed appreciation to the City for continuing to support the Boys & Girls Club. At this point, the Club cannot afford to fix the air conditioning unit. She

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asked the Council to continue supporting and help financially with the large repair expenses of the building such as the air conditioning. She stated that she just received a text message from Rhodes Refrigeration who will provide an estimate to fix the air conditioning unit by Wednesday, June 25th.

City Manager Kincaid stated that if the repair/replacement of the unit is \$5,000 or more, the City must seek bid proposals. He believes the language of the Safe House Agreement does not obligate neither the City nor the Club if a major obstacle arises, the Council is not mandated, but may provide assistance. He recommends adding this language to the agreement

There was discussion regarding adding language similar to the expenses and maintenance section of the Safe House Agreement.

James Bryce addressed the Council stating that the Club is striving to be self-sufficient, but at this time the Club is right on the edge of a cliff. “**We** both want the same thing.” He asked the Council to support a non-profit Club if it can.

It was moved by Councilman Mallogue, seconded by Councilman Seale and carried unanimously to approve the Agreement for Contracted Services between the Boys and Girls Club of the Gila Valley and the City of Safford, with the amendment of adding the Safe House language, #3. EXPENSES: “CITY shall have no obligation to pay any expenses or provide any maintenance or repairs to the **property**.” and #4. MAINTENANCE: “SAFE HOUSE shall be the exclusive user and occupant of the property during the terms of the lease and may not sublease. SAFE HOUSE shall provide all maintenance and repairs to the property and shall return the property to CITY at the end of the Lease in its present condition, reasonable wear and tear **excepted**.” into the appropriate area of the Boys and Girls Club Agreement.

MOTION ADOPTED

City Manager Kincaid stated that when he receives the estimate from Rhodes Refrigeration, regarding the Boys & Girls Club air conditioning unit, he will communicate with the Council and at that time the Council may come to an agreement in regards to financially assist with the repairs.

14. **Requesting direction from the Council on seeking candidates to fill the position of Planning & Zoning Commissioner.** City Manager Kincaid explained that Dalton Overstreet has completed his term as a Commissioner of the Planning and Zoning Commission and is not able to seek another term. He asked the Council to provide direction on how to proceed.

It was the consensus of the Council to direct staff to proceed per the Municipal Code: 1) Advertise; 2) applications to the Commission; 3) Commission interviews candidates; and 4) Commission provides recommendation to the Council.

15. The City Council may vote to enter executive session to consider its position and instruct its representatives regarding negotiations for the purchase of real property pursuant to Arizona Revised Statutes §38-431.03.A.7. The Council may adjourn executive session and reconvene regular session to consider the negotiation of an agreement for real property.

The Council adjourned special council work session to enter executive session at 8:59:40 p.m. The Council reconvened special session at 9:22:57 p.m.

It was moved by Councilman Ortega, seconded by Vice Mayor Bingham, and carried unanimously to authorize the City Manager and Utility Director to proceed as directed in executive session to purchase property.

MOTION ADOPTED

16. **ADJOURN:** It was moved by Councilman Howes, seconded by Vice Mayor Bingham and carried unanimously to adjourn the special council meeting at 9:23:16 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, Graham County, Arizona held Monday, June 24, 2013, and approved at a Regular Council Meeting on Monday, July 8, 2013. I further certify the meeting was duly called, held and that a quorum was present.

Dated: July 8, 2013

Georgia Luster, MMC, City Clerk