



“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, May 19, 2014 @ 6:00 PM  
Safford Library Program Room, 808 S. 7<sup>th</sup> 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.

**STAFF PRESENT:** Horatio Skeete, City Manager; Sandra Findley, Executive Assistant; Ann Waite, Chief Financial Officer; Christine Fisher, Human Resources Director; John Griffin, Police Chief; Leanne McElroy, Library Director; Eric Buckley, Utilities Director; Jenny Howard, Public Works Director; Dustin Welker, Planning & Community Development Director; Don Knight, Director FlexNet Meter Renewal Project; Randy Petty, City Engineer; and Georgia Luster, City Clerk. Dale Clark, who assisted with the audio/video recording of the meeting.

**OTHERS PRESENT:** Gale Hedges, Glen Orr, Dennis Whisman, Michael Faunce, Marion Gauna, Sam Napier, and others who did not sign in

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00:03 p.m.
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:** Don Knight offered the opening prayer.
5. **BUDGET PRESENTATIONS:** (PowerPoint Presentation Attached)
  - **Human Resources/Information Technology**  
Christine Fisher, Human Resources Director presented employee benefit changes which include retirement rates (Arizona State Retirement System (ASRS); Public Safety Personnel Retirement System (PSPRS), and Elected Officials Retirement (EORP)). She pointed out, new provisions for elected

officials was just finalized by the Governor last month. Any newly elected officials, after January 2014 will be enrolled into a new system and current elected officials will remain in the current system. She continued to review recommended budgeted employee benefits.

- 1) Health insurance increases/changes. Actuarial study recommended & Rural Arizona Group Health Trust (RAGHT) approved an increase in health premiums only and not for dental or vision. The monthly increase in premiums will be shared between employees & the City. See below chart reflecting recommended increase. (reflects a 6% cost increase for both the employee and the employer)

	CURRENT		NEW	
	Employee Paid	Employer Paid	Employee Paid	Employer Paid
Employee Only	\$45.06	\$425.14	\$47.77	\$450.65
Employee + Child	\$245.74	\$653.66	\$260.49	\$692.88
Employee + Spouse	\$288.78	\$701.81	\$306.11	\$743.72
Family	\$346.78	\$1,040.65	\$367.59	\$1,103.09

- 2) History of premium increases/changes:
  - July 2010 - Transition from 2-tier to 4-tier coverage options with new rates.
  - July 2011 - Employee only and family coverage premium increased and offered unbundled rates for medical, dental, vision and life.
  - July 2012 - 2.7% increase paid by employer
  - July 2013 - 2.3% increase paid by employer

- 3) Arizona Municipal Risk Retention Pool (City is a member of Pool) anticipates a 9%-10% increase in Worker's Compensation. Budgeted 10% increase in Worker's Compensation costs.

- 4) 5% pay adjustment for all employees.

Concluded Personnel Budget and proceeded to review the recommended budget for the **Division of Human Resources**; (attached). Budget variances indicate a personnel reduction due to unemployment insurance (unemployment claims paid). Operational expenses increased because of recommended education assistance (Council requested a copy of the Policy); and a reduction in IT charges.

- Division of Information Technology:** Sam Napier, IT Supervisor, presented the IT Budget. Budget variances indicate increase in retirement costs, employer insurance, overtime & base pay adjustment; Operational expenses decreased; Capital decreased (server upgrade reduced to one server, storage upgrade reduced to one device, and no radio or copier upgrades scheduled this year.
- **Library:** LeAnne McElroy, Library Director, presented the budget of the Library that includes the Library/General; Library Trust; and Library Special Grants; (attached)
- **Magistrate Court:** Linda Burrell, Court Admin/Assistant Magistrate presented recommended budget of the Magistrate Court. (attached)  
Councilman Lopez inquired about the budget for moving Magistrate Court to the old City Attorney's Building. (\$150,000)
- **Planning and Community Development:** Dustin Welker, Planning and Community Development Director, presented recommended budget of Planning & Community Development that includes:
- Planning & Community Development
  - Building Safety: Chief Building Inspector retires in November 2014, recommending to hire mentor full time
  - Recreations Program
  - Airport
- **Financial and Business Services:** Ann Waite, Chief Financial Officer, introduced staff present (Marion Gauna, Kim Larkey and Michael Faunce). She presented recommended budget of Financial and Business Services that include:
- Financial Services Division
  - Materials Management Division
  - Business Services; Citizens Services. Kim Larkey explained the process and the benefits of the Round Up Program. Almost did not renew program, but received encouragement from those contributing financially to the Program.  
Field Services
- **Utilities:** Eric Buckley, Utilities Director, presented recommended budget of the Utility Division that include:

- Utility Support Fund: Decrease in retirement cost, employer insurance, base pay adjustment and Eric Buckley going on Smartworks.
  - Landfill:
  - Water: Solomon project will be complete within the month. Decrease in capital costs is due to streamlining costs to complete projects in-house. He pointed out that the capital list is much different than what was presented earlier. Projects will take longer by doing in-house and will need to be spread out throughout the year because of routine daily duties. Council request not to increase water rates but conduct a rate study
  - Wastewater:
  - Wastewater Treatment Plant: Operational Expense: Increased because sludge will be transported from Wastewater Treatment Plant to the Landfill. Operated by Severn Trent Services. Capital expense decreased due to Severn Trent's asset report for equipment replacement (specialty equipment).
  - Gas: Normally purchase in retail increase, but due to warm weather, natural gas for resale decreased. Capital expense increased due to completing Flexnet Project this year. Continuing gas reserves per resolution.
  - Electric: Purchase for resale increased significantly due to rising cost in power (associated with restraints put on coal fired plants). Operational expense increased due to rate study to be conducted per Council direction and inspection on substation (January 2015). Capital decreased - no longer setting aside money for the SPRR; no Co-op reserve. Capital Projects - Cover of Parking Structure at MYOC; Replace old junction poles with engineered steel poles; Flexnet Meter Renewal; Phase II - Start construction for distribution - Coop takeover; Underground Conduit installation; ¼ reserve for Coop purchase; and General operations reserve.
6. **FUTURE MEETINGS:** Mr. Skeete, City Manager, explained the process that it will take to complete the budget process by having the below meetings. He noted contracts up for renewal: Boys & Girls Club, Chamber of Commerce, Prosecutor, and Graham County IGA's.
- Tuesday, May 27, 2014 Council Work Session
  - Monday, June 2, 2014 Special Council Meeting: Tentative Budget Adoption
  - Monday, June 9, 2014 Regular Council Meeting

7. **ADJOURN:** It was moved by Councilman Howes, seconded by Vice Mayor Bingham, and carried unanimously to adjourn regular session at 8:52:24 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 of the Safford City Council, Graham County, Arizona held Monday, May 19, 2014, and approved at a Regular Council Meeting on Monday, June 9, 2014. I further certify the meeting was duly called, held and that a quorum was present.

June 9, 2014  
Date: \_\_\_\_\_

---

Georgia Luster, MMC  
City Clerk

