

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 5th DAY OF MARCH 2012**

CALL TO ORDER-Vice Mayor Cronberg on behalf of Mayor Gerald W. Lindsey called the work session meeting to order on Monday, March 5, 2012 at 6:11 p.m. and

ROLL CALL-City Clerk, Cristina Garcia Whelan, CMC, called the roll:

PRESENT

Mayor Gerald W. Lindsey
Vice Mayor Monika Cronberg
Councilman Elwood A. Johnson
Councilman Stephen Klump
Councilman Christopher Donahue
Councilman Bob Irvin

STAFF

City Manager Pat McCourt
City Attorney Hector Figueroa
City Clerk Cristina Garcia Whelan, CMC
Library Director Tom Miner
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner
Development Services Jeff Stoddard

ABSENT

Councilman Bill Holloway

PLEDGE OF ALLEGIANCE TO THE FLAG led by Vice Mayor Cronberg

DECLARATION ON CONFLICT OF INTEREST

No Conflicts were declared.

ADOPTION OF THE AGENDA

MOTION: Councilman Johnson moved to adopt the agenda as presented

SECOND: Councilman Klump seconded the motion - **CARRIED.**

DISCUSSION REGARDING SOLID WASTE RATES

Mr. McCourt began the discussion explaining that we are required to review rate structure each year and act by the end of April. This is part of budget what we will be talking about tonight is Solid Waste Fund. First chart in the packet is the tonnage going into the Transfer Station. As of tonight's meeting there has been 259.31 tons reported for January 2012 going into landfill. Used to estimate total tonnage going into landfill each year and how much we pay we can make estimate of the cost. In FY06 tonnage topped out at 4427.17 and trash tends to follow economy. This year we are looking at over 3300 and next project at 3400 tons. We anticipate seeing some recovery in our economy. Councilman Johnson asked if "The chart is in packets are to track tonnage going to City landfill to make future projections". Manager McCourt replied, yes, take the 3400 tons and tipping fee \$52/ton and broken down by residential and commercial. He stated that last year it was based on a 50-50 and this year breaking it down further and because and 55 because of the introduction of smaller size containers to Commercial or and the 98 gallons to customers. We charge them the same as residential. We can estimate how much commercial tipping and residential and tipping and estimate the total we need to collect for the year. Another component on Solid Waste is we hire outside and part of that contract is cost of living based on cost per individual from Jan – Dec of each year and the change goes in as of July 1. Today the Contractor sent letters for a 2.9% increase which is better than what we had 3%. Impact on residential goes from 9.27 to 9.53; commercial goes from 10.5 to 10-8; 1.5yrd from 4.53 to 4.66; 3 yards 8.36 to 8.60 and Side yard is special for residential that need assistance those rates went from 11.55 to 11.88 and this impact is based on cost of living. Vice-Mayor Cronberg asked if this handout already reflects numbers and Manager McCourt replied "yes" and on the chart they have slightly different new due to new numbers included today. Solid Waste Fund owed the General Fund some money and was set to pay it back in 3 years and currently in the first ¾ of the 1st year and they have made half of the payments and anticipate they will make payments for the full year. For Residential 1.64 and for

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 5th DAY OF MARCH 2012**

Commercial 6.18 is needed. Overhead costs are the finance costs. This was presented in December what this would be considered is 65% residential and 35% Commercial. These are the basic costs. The next chart explained the number of cans; number of pickups; number of accounts and the number of Weeks/months. Commercial 3yd is a similar set up and we use this information to generate rates. The Rates table generates the rates and there are 3-colums on existing rates in place right now. The Solid Waste Fund has automatic Cost of Living adjustment that goes into effect if Mayor and Council do not take any other action. The new proposed FY13 rates are \$54.64 and \$55.46. Because of change from 50-50 now 65-35 we see larger for commercial. The 96 gal accounts \$24.72 and the proposed rate is \$25.44 or 2% which is the recommendation because the 2% of \$24.98 is slightly less. Residential is \$23.49 currently; \$24.17 inflationary rate and we recommended \$23.72 for side yard. The pickup special rate is \$19.85; and \$20.43 recommended yet we recommend \$20.39. Based upon this then generated income will be \$663,787.97 and inflationary \$668,118.05. We need a stream anticipated to pay our bills and contractors. Making long range projections FY12-13 \$669,501 with penalties of \$4,886 and \$593 in Interest Earnings or 1% of Fund Balance. We must consider payments to contractor, overhead and loan repayment and should generate surplus of \$88,066 or 6,000 going into Fund Balance. Are Goals to be able operate for 6-months if should something were to occur. In FY15-16 when pay off the loans. If we allow cost of living to go in to affect or take this recommendation this fund should stay fiscally healthy.

Mr. McCourt reminded Council that last year we had to make major adjustments that Averaged 20% or a 1.19% increase. We must deal with each Fund separately and know that Mayor and Council are concerned on the overall impact on rate payers and will have that in mind as we work through accounts. So, what is impact on final accounts? Council deferred any costs to gas, water and sewer to help offset the 1.19%. Customers look at bottom line instead of each fund and the net increase is below cost of living.

When Mayor and Council are asked to approve the rate structure we will present recommendations and demonstrate what has been shown. This will allow the approving of the rate charts. Mr. McCourt has had 2-comments that came in on Solid Waste and a gentleman felt they are a low producer and does not feel he should contribute to the system. Mr. McCourt Invited him to come and explained to him that we adopted a policy and it has very narrow exceptions and basically everybody contributes. Another comment was received email from another gentleman felt we did not handle the rate structure properly. These rates will be the proposals coming in April and we to have finished the gas, water and sewer too. Mr. McCourt stated he wants to present comprehensive package.

Vice-Mayor asked legal Counsel if he as a legal comments. Attorney Figueroa responded he hopes he all has 3-pages and not has responded or discussed the matter with other councilmen. It sites 3-violations which in his opinion are illegal. Starts with Treatment and does not think anyone has done that. He explained that when the Ordinance comes to Mayor and Council followed by, Public Hearing, and anybody can input comments and once the Ordinance is adopted it is adopted. The Council has the authority to adopt Ordinances that are more strict than State Statues. He stated that in several cases our Ordinances are stricter than statute provides. Sometimes individual to do not agree with our Ordinances but have the ability to make these disagreements known during the Public Hearings. He stated that our definitions just tell you what it is i.e. bag of trash it defines a bag of trash. Person has to dump over 300 pounds in order to be charged with that. Not to say shouldn't be concerned but they have to be taken into context as to what it is allegedly is the subject matter. He has copy of each Statute and does not find anything coming near any impropriety.

ADJOURN

Being no further business before the Mayor and Council, Vice-Mayor Cronberg adjourned the Work Session at 6:36 p.m.

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 5th DAY OF MARCH 2012**

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the City Council of the City of Willcox held on the 5th day of March 2012. I further certify that the work session was duly called and held, and that a quorum was present.

Dated this 3rd day of July 2012

/s/ Sherry Lynn Van Allen

Transcribed by Sherry Lynn Van Allen – Human Resources

PASSED, APPROVED AND ADOPTED this 16th day of July 2012.

/S/ MAYOR ROBERT A. IRVIN
MAYOR ROBERT A IRVIN
Signed 07-17-2012

ATTEST:

/S/ Virginia A. Mefford
City Clerk Virginia A. Mefford