

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 16TH DAY OF APRIL 2012**

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CALL TO ORDER –Mayor Gerald W. Lindsey called the regular meeting to order on Monday, April 16, 2012 at 7:20 p.m. appreciates their patience because prior meeting went over time felt discussion was necessary. Welcomes all here tonight and invites participation and glad to have them here.

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

ABSENT

Councilman Bill Holloway

STAFF

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

PLEDGE OF ALLEGIANCE TO THE FLAG–Mayor Lindsey.

CALL TO THE PUBLIC–There was no response from those present.

DECLARATION ON CONFLICT OF INTEREST– Councilman Donahue declared a conflict on agenda item #9 relating to the NCCH Golf Tournament. There was no further response from the Mayor, Council members or staff.

ADOPTION OF THE AGENDA

MOTION: Vice Mayor Cronberg moved to adopt the agenda as presented with the removal of the Consent Agenda item 8A relating to the Financial Reports to regular item; remove agenda item #16 relating to Resolution No. 2012-35, WWTP; and remove agenda items 19, 20, 21 & 22 relating to Executive Session.

SECONDED: Councilman Johnson seconded the motion. **CARRIED.**

PUBLIC HEARINGS, PETITIONS AND COMMUNICATIONS

Public Hearing: In accordance with ARS §9-499.15, Public Notice: The Mayor and Council will hold public hearings on Monday, May 7, 2012 and Monday, May 21, 2012 at 7:00 p.m. in the City Council Chambers, 300 W. Rex Allen Drive, Willcox, AZ, regarding the Notice of Intention to Increase Utility Rates and to consider the implementation of revised FY13 Utility Rate Schedules for the Gas, Water, Wastewater, and Solid Waste utilities.

Proclamation: Mayor Lindsey proclaims April 15-21, 2012 ***National and Willcox Volunteer Week***; and the Mayor encouraged and thanked those that do participate as volunteers as service that they render to our citizens and it is appreciated. As City recognize them. Library Director Miner asked the Volunteer Coordinator and Library Supervisor to accept the Proclamation on the Library's behalf. Councilman Johnson wished to recognize the group seating upfront who are the four (4) individuals. **APPLAUSE!**

CONSENT AGENDA

8A. FINANCIAL REPORTS THROUGH MARCH 31, 2012 (removed from Consent.)

Finance Director Ruth Graham reported on the Funds which we are at 75% of the year. General Fund budgeted \$904,000 and we are at 75% or we have \$130,398 and if we compare year ago we had \$220,000 so situation is better this year.

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Received 66% General Fund Revenues and Expended 59% of amount budgeted. Expenses are being held down in relation to the revenues that are coming in. A review was made of each Fund which was included in the Mayor and Council packets.

DISCUSSION/DECISION REGARDING PARTICIPATION IN THE NCCH 16th ANNUAL GOLF TOURNAMENT

Mayor Lindsey reported the hospital asked us to participate and sponsor Golf Tournament and did not do so last year because of condition of budget. City Manager Pat McCourt stated in the Mayor and Council budget \$387 in miscellaneous line item also has suggestion that the number of City pins is starting to run low and may want to consider replenish that supply.

MOTION: Councilman Klump moved that any City staff or Council wanting to participate to do so on their own in the NCCH 16th Annual Golf Tournament.

SECONDED: Vice Mayor Cronberg seconded the motion. **DISCUSSION:** City Attorney Hector Figueroa stated that on behalf of him and his wife "Nakai's" will donate \$250 to the Scholarship Fund and \$125 for Hole. Councilman Johnson and the Mayor thanked the City Attorney. **VOTE: Ayes-**Mayor Lindsey, Vice Mayor Cronberg, Councilmen Johnson, Klump, and Irvin. **Nays-**None. **Declared Conflict:** Councilman Donahue. **CARRIED 5-1-1 (Absent-Councilman Holloway.)**

DISCUSSION/DECISION REGARDING OFFER OF CITIZENS TO TAKE CARE OF THE FLAGS IN RAILROAD PARK.

City Manager McCourt stated he has had a group of citizens approach City in taking over the Flags at Railroad Park. There are three (3) flags: US, AZ and POW and they are considering larger flags and staff has no problem the poles will hold them.

Included in staff report is the list of contact names to call on the flag conditions. City would continue to pay the cost on the American Flag and no requirement to raise and lower because of lighting and they are welcome to do it. Mayor Lindsey stated that is commendable that they want to do that.

MOTION: Councilman Irvin moved to accept the offer from citizens to take care of the flags in Railroad Park.

SECONDED: Councilmen Johnson and Donahue seconded the motion. **CARRIED.** Ms. Connie Dunham addressed the Mayor and Council and stated that at meeting a week ago talked about clean up and big response. They are looking to contact the Governor and other politicians to help with funding and everything looks positive.

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-30 APPROVING AND ADOPTING THE GRANT FROM THE UNION PACIFIC FOUNDATION FOR THE PURPOSE OF APPLYING FOR \$5,000.00 TO BE USED FOR THE HISTORIC MASCOT & WESTERN PASSENGER CAR AND DECLARING AN EMERGENCY TO EXIST.

Ms. Zoe Richmond

MOTION: Councilman Johnson moved to approve Resolution NO. 2012-30, as presented, to accept the Grant from Union Pacific Foundation for the staging area in front of the Mascot & Western Car.

SECONDED: Vice Mayor Cronberg seconded the motion. **DISCUSSION:** Ms. Richmond presented to the Mayor and Council a check and appreciates the City's partnership with last year's Steam Train. Arizona Centennial and Union Pacific also are celebrating 150 years and they continue to share and preserve collective history. She is inviting the community of Willcox to do two (2) things: (1) visit the web site @up150.com where they are starting to gather a lot of the History from individuals and a lot from people with personal ties to the Railroad to get a lot of stories; and (2) understands there continues to be a need for non-profits organizations to apply for UP Foundation and go to up.com and type the word "Foundation" and they have until August 15th to help the community and to apply for beautification or restoration projects. She presented check and thanked the City for applying and continuing their partnership. **CARRIED. APPLAUSE!**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012- 31 APPROVING AND ADOPTING THE CHIP SEAL AWARD TO WESTERN EMULSIONS ["CONTRACTOR"] IN THE AMOUNT OF \$37,886.20 (+) \$85.00 FOR TANKER UNLOADING FOR THE PATTI ROAD IMPROVEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.

MOTION: Councilman Irvin moved to approve Resolution No. 2012-31, as stated, relating to approving and adopting the chip seal award to Western Emulsions.

SECONDED: Councilman Donahue seconded the motion. **DISCUSSION:** Councilman Johnson asked staff if this was budgeted item and Public Services & Works Director Dave Bonner replied "yes it was." **CARRIED.**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-32 APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE STATE FARM YOUTH ADVISORY BOARD PROGRAM FOR THE PURPOSE OF APPLYING FOR A YOUTH-DIRECTED SERVICE-LEARNING ACTION GRANT IN THE AREA OF "ACCESS TO HIGHER EDUCATION/CLOSING THE ACHIEVEMENT GAP", AUTHORIZING AND DIRECTING CITY STAFF TO SUBMIT SAID APPLICATION AND DECLARING AN EMERGENCY TO EXIST.

MOTION: Councilman Donahue moved to approve Resolution No. 2012-32, as stated, relating to approving and authorizing the submission of an application to the state farm youth advisory board program for the purpose of applying for a youth-directed service-learning action grant.

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SECONDED: Councilman Klump seconded the motion. **DISCUSSION:** Vice Mayor Cronberg stated she is not clear regarding the additional responsibilities of the City. Mr. Miner stated there is no additional funding by the City for this Grant. It is to apply and try to get \$25,000 to help this community to step up and give kids quality education. The Library partners with other educational entities in our community and part of their core reason to being here is carry on and support other partners i.e. Cochise College, WASA, WUSD and try to have tools available to help our kids. The TAG Teen Program has steadily built for the past 7 years, and many of that initial cadre of kids has gone on to college – about 75% in fact! Mr. Miner stated...other teens in the community and can provide strong support. My Programming Technician and Library Supervisor (who is our Grants administrator) are here tonight to answer any technical questions you may have about the Grant." The Vice Mayor then had a question about whether there was a grant match for the \$25,000, to which Mr. Miner replied "No. To the best of our knowledge, there is not." **CARRIED.**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-33 APPROVING AND ADOPTING THE REVISED BULK WATER FILL STATION BID FROM SMYTH INDUSTRIES ("CONTRACTOR"), AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST

Mr. Bonner reported they received three (3) bids which exceeded budget and found that in our purchasing policy staff is able "to negotiate with lowest bidder" to get to budgeted amount and Smyth did lower their amount. They are interested in this for themselves too. Smyth put in our well and tank and they are getting into what they have not done before. Currently the rate per thousand is \$4 and break down cost for call out minimum of 30 minutes or \$8.62/1,000; equipment about \$12,000 pump or 10 years or \$2.40/thousand and these figures are based on half minimum gallons per year; cost for electrical operations is 36 cents/thousand. The total cost would be \$16.32 per thousand which is considerably more than what we are charging and that is where rate would be if Mayor and Council chose to follow all costs. If amortized the cost over 1M gallons per year the cost per thousand would go down to \$14.94 and that is the current system. In either case the real costs exceed the current rate of \$4/thousand. On the new equipment spreading the cost over 10 years and 1M gallons of sales per year the cost per thousand would be \$11.43. For 10 years and 1.5M gallons cost would be \$8.34/thousand. For 15 years and 1M gallons the cost would be \$9.89/thousand. For 15 years and 1.5M gallons the cost would be \$7.31/thousand. Currently selling half million to 2M gallons per year on our bulk water system. Rates will be brought back to Mayor and Council. Councilman Johnson any contractor or well driller can pull up to well and pump x number of water. Mr. Bonner explained currently it is not potable and Mayor and Council adopted policy several years ago to only allow Contractors to have that water at \$4/thousand gallons. This system potable system can get 5-gallons or larger for system they have. County residents that do not have water could get it and people at TA can fill up their RV's and looking at west of the Brewers. Councilman Johnson said not talking about location at Keiller Park and Mr. Bonner said he proposes to discontinue obtaining water at Keiller Park because of the amount of staff time required and discontinue using the hydrant meters and proposes that used on a limited basis. Councilman Johnson asked if it is potable water and what about pressure? Mr. Bonner replied said we have that situation everyday. Councilman Johnson asked what about fire on the other side of town and talked about this in 2006-2007 as far as "pay as you go." Mayor Lindsey asked if we have a rate structure if we install automated system. Mr. Bonner stated he proposes to bring that back with the utility rate hearings. Depends on amortization schedules and amount sold and during non construction year selling from ½ million gallons to 2M gallons. Vice Mayor Cronberg rate structure would work to capture and Mr. Bonner set up to pay equipment and have money to replace that equipment after 10 years and construction warranty is 2-years and it is budgeted items. Councilman Donahue any plans to put on web site for travelers on I-10. Mr. Bonner said they have not planned that far ahead and that is good suggestion. Councilman Donahue good job by City staff and great infrastructure and for those that do not have water will bring them into town and this is very popular at Snowflake because they do not have very many wells.

MOTION: Councilman Klump moved to approve Resolution NO. 2012-33, as stated, relating to Bulk Water Fill Station Bid from Smyth Industries.

SECONDED: Councilman Donahue seconded the motion. **CARRIED.**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-34 APPROVING AND AWARDING THE BID CONTRACT TO EMPLOYEE SOLUTIONS GROUP ("ESG") PURSUANT TO THE RFP BID FOR SPECIFIC EMPLOYEE INSURANCE BENEFITS PLAN AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.

Ms. Graham reported she sent out Request For Proposals and received five (5) responses difficult to assess based on fees. We are looking for to have new ideas. Believes that bids that came in from ESG had something they have not seen from other providers. Fee in premium and ESG proposed \$1,200/month whether our rates go up or down fees remains the same and

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currently paying \$1,300/month. Present tonight from ESG are Al Thunburg and John Stewart who is working with him as well. Believes bids incorporate new ideas to City.

Mr. Stewart addressed the Mayor and Council and they have been working with the City since 2009. The Plan they have secured has managed to bring down. Employee benefits are what are expected and are in need of every year. This year projecting \$370,000 and using unique strategies explained in the past that have allowed them to take the trend down and continue. High premiums are rising still and new regulations and statutes and are expert on those. The Cost of Service is fixed fees. They have capped and fixed rates and as premiums do rise their fee remains constant and gives the City best possible that they can. They did offer to the City and offered to other City clients and under proposed solution and complete compliance procedure and policy and regulation changes. This is audit process they go through and will do and report to with any ideas or gaps. Wage and hour becomes difficult topic. Bring excellent source of guidance and most important is educating the employees that they do during enrollment.

Councilman Johnson said 3.8% commission and on insurance market that is good rate. Stewart look at strategic alignment with City and Council. Councilman Johnson asked if they have potential to bid with other companies i.e. United Healthcare to provide our employees with the best possible insurance and also is their money set aside and now that we do not have as many health issue and asked if rating has been evaluated. Mr. Stewart explained they look at every angle and nobody is excluded. Looked at current policy with HealthNet and will look at others to make sure we have best deal from Blue Shield, Assurant, and Aetna. The City's health has improved, that is a good thing, and part of savings is because of better health. Wellness is a hot topic and can do a better job to educate and encourage healthy behavior. Carriers have not encouraged people about Wellness they have talked about it but no strategy. You can talk the game or reward i.e. compensation, gifts, and rewards and should consider because health behavior is lower. Trend is 12% and City has been trending down and fantastical and part is due because of strategy. **MOTION:** Councilman Johnson moved to approve Resolution NO. 2012-34, as presented, relating approving and awarding the bid contract to Employee Solutions Group.

SECONDED: Vice Mayor Cronberg seconded the motion. **DISCUSSION:** City Attorney Figueroa referred to negotiations are from the State of Connecticut and if any dispute or problems with that going to the State of Connecticut. Mr. Stewart said should be State of Arizona and its Statutes and will adjust that. Mr. Figueroa stated he will work them on that. Mr. Stewart added that includes an employee web portal and is included in the fee. City Attorney Figueroa stated he will not sign the documents until corrections are made. **CARRIED.**

(Removed from agenda per motion items relating to WWTP.)

REPORTS BY THE CITY MANAGER PAT MCCOURT

Consideration, discussion, and/or decision regarding the following topics by the City Manager:

- **Report on City Election** – General Election to be held on Tuesday, May 15, 2012, for one (1) position. William “Bill” Nigh on the ballot. Nomination papers from write-in candidates were due Thursday, April 5, 2012. There are three (3) Official Write-In Candidates and their name(s) will not appear on ballot. They are Linda Sue Ball, Richard Bennett, and Wm. Kelly Rowden, Request for early Ballots begins April 19, 2012 by calling Cochise County Elections at 1-520-432-8354 or 1-888-457-4513.
- **Report City Clean Up April 28, 2012**-starts at 7:30 a.m. at Railroad Park joint with City and Chamber. City crews working on Friday the 27th.
- **Update on the Energy Efficiency Conservation Block Grant**-Told us great job we did and encouraged us to apply and the City of Willcox was not selected for award which was to be used at the Fire Station #2.
- **2012 Newly Elected Officials Training**, June 1-2, 2012 at The Wigwam Resort, Litchfield Park Cost is \$170.00 per person. Asked all candidates to check calendars this is excellent program by League. appears sufficient funds if schedule allows the Newly Elected Officials to attend.
- **Mayor/Managers Luncheon in Bisbee**- Thursday April 26 and RSVP to Clerk's Office or his office if plan to attend.

COMMENTS NOT FOR DISCUSSION FROM MAYOR AND COUNCIL MEMBERS.

Councilman Donahue reported that as he wraps up his Council term finds tonight an opportune time to mention the following: we talked a little bit tonight about the financial reports and one of the things that came up was that we have surplus in some of the funds. He thought it was interesting because the reason we have surplus is because we have a Cost of Living Adjustment every year and the rates go up automatically. And he thought it was really interesting that the Employee Solutions Group

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representative said that insurance rates typically rise 10-12% per year. Councilman Donahue wanted to make this comment as he is leaving the Council: "I am not Nostra Damus and I am not claiming to be, but I can tell you one thing for surety and you can come back to me in 5-years to discuss it: everything is going to be more expensive next year than it was last year." When they put into these funds and they raise rates and they have a surplus the "City is never going to get hurt by that." As Mr. Bonner pointed out tonight we have a great infrastructure project coming up and when you run a surplus you can reinvest in infrastructure. Since his time is limited took opportunity to share with you his opinion about the future. Thank You for your time.

(Removed from agenda per motion were the items relating to Executive Session.)

ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 8:27 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of the City of Willcox held on the 16th day of April 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 3rd day of May 2012

/s/ Cristina Garcia Whelan, CMC
City Clerk Cristina Garcia Whelan, CMC

PASSED, APPROVED AND ADOPTED this 7th day of MAY 2012.

/S/ GERALD W. LINDSEY
MAYOR GERALD W. LINDSEY
Signed: 05-09-2012,

ATTEST:

/s/ Cristina Garcia Whelan, CMC
City Clerk Cristina Garcia Whelan, CMC

