

Nomination Procedure for New Council Offices: (change title for Committees)

TAB 1

1. Mayor or Vice Mayor or senior tenure calls for nominations.

MAYOR - "Nominations are now in order for the office of MAYOR." Nominations **DO NOT** require a second.

2. COUNCILMAN: "I nominate _____ for MAYOR."

3. MAYOR - "_____ is nominated. Are there other nominations?"
PAUSE! Repeat #2 and #3 as many times as necessary. "If not, the motion to close nominations is in order."

4. If the Mayor recognizes a member and that member moves "that nominations close" (and it is seconded) before ample opportunity has been given for nominations from the Council, the MAYOR should ignore this premature motion by simply asking, "Are there further nominations?" instead of stating the motion "to close nominations". If and when there are no further nominations the MAYOR may then put the motion "to close nominations" to a vote without waiting for it to be moved a second time.

5. The motion "to close nominations" is **NOT** in order until the Council is apparently ready to close nominations.

6. If there are two or more nominees for the office, the motion to close nominations requires a two-thirds vote. (This motion must be seconded.)

7. MAYOR - "The 'Ayes' have it by unanimous vote. Nominations are closed." (If any one votes in the negative) "The 'No's' have it and the motion to close nominations is lost. Are there any further nominations?" (Presumably the opponents of this motion will make one or more additional nominations.)

8. **VOTE** - shall be by show of hands. In case of a tie vote, show of hands again, etc.

9. MAYOR - "_____ is declared elected to the office of MAYOR.

10. "CONGRATULATIONS newly elected MAYOR _____."
(Change seating if necessary.)

New Mayor - The next business is nominations are now in order for the office of VICE MAYOR."

11. REPEAT the procedure used for MAYOR.

12. "CONGRATULATIONS newly elected VICE MAYOR _____."
(Change seating if necessary, usually done at the next meeting.)

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 19TH DAY OF APRIL 2010**

CALL TO ORDER-Mayor Gerald W. Lindsey called the work session meeting to order on Monday, April 19, 2010 at 6:00 p.m. and welcomed presenters.

ROLL CALL – City Clerk Cristina G. Whelan, CMC, called the roll.

TAB 2

PRESENT

Mayor Gerald W. Lindsey
Vice Mayor Larry N. Schultz
Councilman Elwood A. Johnson
Councilman Jimmy L. Norris
Councilwoman Monika Cronberg
Councilman Stephen Klump
Councilman Christopher Donahue-arrived at 5:54 p.m.

STAFF

City Manager Pat McCourt
City Attorney Hector M. Figueroa
City Clerk Cristina G. Whelan, CMC
Library Director Tom Miner
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner
Building Inspector Jeff Stoddard

PLEDGE OF ALLEGIANCE TO THE FLAG-Mayor Lindsey.

DECLARATION ON CONFLICT OF INTEREST-There was no response from the Council members or staff.

ADOPTION OF THE AGENDA

MOTION: Councilwoman Cronberg moved to adopt the agenda as presented.

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

DISCUSSION REGARDING THE STREETS FY10-11 BUDGET

Mark Jensen and Carlos Chavez presented power point presentation and explained they have done the evaluation of the WasteWater Treatment Plant (WWTP) which was spurred on Notice of Violation (NOV) from the Arizona Department of Environmental Quality and Control (ADEQ). The NOV was issued to the City because water was not good enough quality for irrigation at the Golf Course which is the primary use for the effluent water. Class B is minimum rating the water has to meet per ADEQ to be used as irrigation at the Golf Course. Secondary treatment is biological or the bugs or organic material broken down. Disinfection is needed too. Upgrades needed at the head works building pumps installed improperly because the water should have been pumped up and into lagoons. On-going problem is pumps continue to get plugged up. Back up generator does not turn on automatically when power goes out and put switch for generator to kick on. Next how going to improve the plant. Preliminary Engineering Report is study required by USDA. They looked at existing plant and alternatives and evaluated each alternative based on capital cost, operations, maintenance and 20 year life cycle cost and non-monetary for each alternative i.e. flexibility, expandability, not capital and maintenance costs. Alternative options were each compared to come up with recommended plan.

Discussion was held and staff will proceed in obtaining more information from Council members too regarding a WWTP alternatives presented or other options.

ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 7:02 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the work session meeting of the City Council of the City of Willcox held on the 19th day of April 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 19th day of May 2010

City Clerk Cristina G. Whelan, CMC

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 19TH DAY OF APRIL 2010**

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2010.

MAYOR

ATTEST:

City Clerk Cristina G. Whelan, CMC

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 26TH DAY OF APRIL 2010**

CALL TO ORDER-Mayor Gerald W. Lindsey called the work session meeting to order at 6:00 p.m. on Monday, April 26, 2010 and stated there were not too many persons from the City present.

ROLL CALL-City Clerk Cristina G. Whelan, CMC, called the roll.

PRESENT

Mayor Gerald W. Lindsey
Vice Mayor Larry Schultz
Councilman Elwood Johnson
Councilwoman Monika Cronberg
Councilman Stephen Klump

STAFF

City Manager Pat McCourt
City Clerk Cristina G. Whelan, CMC
Finance Director Ruth Graham
Streets Supervisor Arnold Arvizu
Building Inspector Jeff Stoddard

ABSENT

Councilman Jimmy Norris
Councilman Christopher Donahue

PLEDGE OF ALLEGIANCE TO THE FLAG-Mayor Lindsey.

DECLARATION ON CONFLICT OF INTEREST-There was no response from the Council members or staff.

ADOPTION OF THE AGENDA

MOTION: Councilman Johnson moved to adopt the agenda as presented.

SECONDED: Councilwoman Cronberg seconded the motion. **CARRIED.**

DISCUSSION REGARDING THE STREETS FY10-11 BUDGET

City Manager Pat McCourt explained he placed copies of information on the dais and daily email report he receives and stated that we are going to see some economic recovery. Power point presentation was made on the Streets Fund and the City Manager we will talk about area which is going to hit deficit spending and need to look at long range projections. In 2009-10 started with \$274,733, its Income and Expenses throughout the year. Actual and estimated figures are presented for the end of the year. The next fiscal year opening fund balance is \$59,978.00. Highway Users State estimate \$283,036 and has been kept flat for 2-years. The project is growing by 2% for the next years. The 1% City Sales Tax has grown by 4% of what was projected. The Interest Income is combination of miscellaneous revenue sources. Estimated expenses and closing at \$22,940 and opening for next fiscal year. In longer terms we need to build reserves. We do project in the black and further out projections are "shaky numbers." Time will be spent on expenditures because we are here to provide services. If projections are off staff has built amount in Transfer to Grants Fund 16 i.e., Ft. Grant Road, to take care of that. Put in \$40,000 and do not have the grants and estimate in the future we will get grants and have set aside money for that. Also equipment projection and doing more planning and what do we need, when, and how much will it cost. Projected under Salaries and Benefits hopes in some point able to give employees some raises and projected raise of 3% in 2012-13. We have vacant position in Streets department and that has affected services to deliver. Staff is hoping in 2011-12 to fill that vacant position. Looking forward and get it in balance and feel they have done that reasonably into the future. Every year need to see if we met projections or if adjustments needed to be made. Staff needs to know what we are going to do, and what the services we can provide are.

Following the explanation by the City Manager the Streets Supervisor, Arnold Arvizu, presented his department budget for the next 5-years. He reported on streets that are now eligible for us to apply for Federal Funding. Those streets are Ft. Grant Road, Rex Allen Drive, Bisbee Avenue, Maley Street and Haskell Avenue. He applied last year and added Patte Road as minor collector based on traffic count. Rural roads do not quality for Federal Funding.

Ft. Grant Beautification- applied for Highway Safety Improvement Project to replace all signs in the City and highly reflective. It is 100% funded and do not have design, scoping, environmental, etc. and if do not touch the ground do not need environmental study, therefore, cost the City zero. \$150,000 budgeted for grant.

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 26TH DAY OF APRIL 2010**

Arizona Street Sidewalk Project -extended for 2-years. Plans are for sidewalks from Rex Allen to Haskell with sidewalks on both sides of the street and ADA compliant at the corners.

State Transportation Enhancement Grant-limit \$1M and submitting reconstruction of all the sidewalks along Rex Allen Drive from Bisbee to Haskell; S City limits to Rex Allen Drive; Maley from Haskell to Rex Allen, Jr. Drive with ADA accessible and project 2-years to complete and it is not match required! Mr. Arvizu is working with Bill Harmon to get cost estimate since it is State right-of-way.

2010-2011 –Plans for Street Preservation of Fremont from Haskell to Austin, Delos from Haskell to Austin, and Grant from Haskell to Austin. These had more traffic counts and had Plastic Seal done in 2007. Newer on Arizona and Austin and Tucson, Phoenix and they lose elasticity of material get brittle and dull. Company coming in to shoot oil plastic seal which is very minute and curing time is 4-6 hours then traffic allowed to travel on it. After 3-4 weeks have County come in and paint strip. Patte Road was added and there is no dedication on any of it. Mailed letter to every owner and all have donated their section except for 2-owners. Last week had meeting and successful in that they will be signing it. Once signed then it becomes City property. Need to straighten road following section line. In June compact and in July chip seal from Haskell to Patte Road to Bisbee to Rex Allen Drive with a 28' wide street.

2011-2012 -Maley to Wood Street from Curtis, and Biddle Avenue to Wood Street. Then do chip seal on Patte Road.

2012-2013-Rex Allen Drive and Todd and Fox area is so hard to patch. Thought it was cold mix. Found good patch of cold patch and it is how you patch it by cutting edges and these holes are holding up. Eventually plan will catch up with maintenance in 5-7 years schedule. **Capital Purchases**-get a dump truck.

2013-2014 connect Arizona, N mesa, Douglas, Flagstaff, Prescott, Scott and Mesa. Hopefully new employee on board and have street sweeper. **Capital purchase**-new street sweeper.

2013-14-Fremont to Maley. First repair Fremont to Bisbee and west end of Fremont. Then repair Delos from Arizona to Bisbee, Pearce, Stewart, Cochise, and then Bowie from Maley to Fremont. **Capital Purchase**-Caterpillar Back Hoe.

2014-15 -purchase back hoe in 2-payments. Plan to be doing Railroad Avenue from Downen to Grant with Chip Seal. Then First Avenue to railroad tracks. Future plan is to open Industrial Area to Rex Allen Jr. Drive. Then do repairs on First Avenue from Maley to Stewart Street. Mayor Lindsey stated way back at Railview and Mr. Arvizu said it is 8-years old already. The Mayor said other sections of City been there 10-12 years. Mr. Arvizu is trying to establish a cycle and schedule. Mayor Lindsey is also thinking about Ironwood and Mr. Arvizu said he has that for 2016-17 although it is not included in this packet. City Manager McCourt stated this is planned projects and it does not stop work on alleys, right of ways, or patching. Public Works Director Dave Bonner added like Maley had to repair that corner which was not planned. Ironwood is a minor collector and we will apply for Federal Funding said Mr. Arvizu. Development Services Jeff Stoddard asked if we should start putting weight limit signs. Mr. Arvizu replied problem with delivery trucks and we could do a 15 Ton limit.

2015-16-Railroad Avenue to Arizona and connect all and have no dirt roads. Grant Street is dirt road to Second Avenue and plan double chip seal; Rex Allen Jr. Road from Stewart to Highway 186 our right-of-way ends at the fence line. Mr. Arvizu talked with ADOT to share the cost with us. He wants to do three (3) 36" culverts and asked ADOT to purchase the culverts and we will install or vice versa. They do not want to so we are going to smooth it up and chip seal from Stewart. Mr. Bonner added they had 4" overlay. Mr. Arvizu plans to finish paying off the back hoe and get another dump truck. We have 2-dump trucks which were a garbage truck and the other was a highway used truck. Mr. Arvizu tries to keep his crew and the public safe.

City Manager McCourt thanked Mr. Arvizu for his presentation and stated he believe we have reasonable projection plan. Councilwoman Cronberg asked do we have a back up plan should the State of Arizona receive retribution from the latest bill passed over the weekend. Mr. McCourt replied he does not know what will happen and we will have to make adjustments as we go along and if income does not materialize we will have to adjust and if oil increases that too will have an impact on the budget.

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 26TH DAY OF APRIL 2010**

Staff has tried to build room in the budget and it could be much worse than anticipated. Councilwoman Cronberg said we are probably looking at losing major revenues based on travel in this area. The call for boycott of Arizona is pretty worrisome.

ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 7:04 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the work session meeting of the City Council of the City of Willcox held on the 26th day of April 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 2nd day of June 2010

City Clerk Cristina G. Whelan, CMC

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2010.

MAYOR GERALD W. LINDSEY
Signed: _____

ATTEST:

City Clerk Cristina G. Whelan, CMC

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 3RD DAY OF MAY 2010**

CALL TO ORDER-Mayor Gerald W. Lindsey called the work session meeting to order on Monday, May 3, 2010, at 6:00 p.m.

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

PRESENT

Mayor Gerald W. Lindsey
Vice Mayor Larry N. Schultz
Councilman Elwood A. Johnson
Councilman Jimmy L. Norris
Councilwoman Monika Cronberg
Councilman Stephen Klump
Councilman Christopher Donahue-Arrived at 6:10 p.m.

STAFF

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

PLEDGE OF ALLEGIANCE TO THE FLAG-Mayor Lindsey

DECLARATION ON CONFLICT OF INTEREST-There was no response from the Council members or staff.

ADOPTION OF THE AGENDA

MOTION: Councilman Johnson moved to adopt the agenda as presented.

SECONDED: Councilwoman Cronberg seconded the motion. **CARRIED.**

DISCUSSION REGARDING PUBLIC SERVICES AND WORKS DEPARTMENT – UTILITIES BUDGET

City Manager Pat McCourt explained the Finance Director Ruth Graham will do the initial budget finance presentation followed by general overview. Mr. John Bowen, Utilities Supervisor, and Ms. Linda Stoddard, Utilities Admin, will do departmental presentation. Updated budget work sheets will be done after this meeting to insert in budget notebooks from the Streets Department. Ms. Graham explained each fund (Gas, Water, Refuse and Sewer) beginning and ending fund balance with amount due to General Fund in some funds. Overall the net balance is \$333,871 from the four (4) funds.

Finance Director Graham explained the budget summary sheets start with the same format been using opening fund balance as of July 1, 2009. Projected revenues are updated through the month of April and are still a projection because we have completed the billing for April and still have 2-months. Opening Balance:

Gas Fund: \$890,971 and anticipate revenues \$1,027,915 from that transfer \$145,200 to the General Fund which covers Administrative Services and the billing and all of the services provided by General Fund for the Utilities. Expenses including operating expenses, personnel, capital total \$814,176.00. In the Gas Fund the ending balances of \$959,510 which is an increase of \$68,539.00.

Water Fund: \$1,086,368 anticipate revenues \$758,876 transfer to General Fund \$181,500 for Administrative Services. The \$5,150 is a General Obligation Bond that originated in Water and Water Fund transfers to General Fund to pay that back. Other expenses including personnel, operating, capital \$49,570 and anticipate ending balance of \$1,209,024 or increase of \$122,656.00.

Sewer Fund: \$ 461,930 revenues \$734,176 and transfer to General Fund \$85,800, expenses \$545,836 and ending balance of \$564,470 which is an increase of \$102,540 for the year.

Refuse Fund: \$3,555 note refuse fund did operate in a loss for several years and balance due to General Fund \$120,622; revenues anticipate \$567,999 transfer to General Fund \$52,800 expenses \$475,062, and those are for the landfill fees and SouthWest Disposal. Those are only expenses we do not have personnel in that fund; ending \$43,692 without consideration to monies owed to General Fund or change fund balance \$40,137.

For Utilities anticipate a net change in ending balance \$333,871 which is made up of the changes in the 4-funds.

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 3RD DAY OF MAY 2010**

Mayor Lindsey asked in the Refuse Fund \$52,800 does that recapture any of the debt and Ms. Graham replied "no" that is for the Administrative Services for setting things up of the billing and the calls.

Mr. John Bowen, Utilities Supervisor, presented an overview of the Utility Department on what they did this past year. They are the Gas, Water, Sewer Division and Open and Close Graves. The following was presented:

- During 2009 year the Utilities Division completed over 900 work orders: 547 Gas, 219 Water, 22 General as well as 94 Blue Stake.
- Crewmen information: They have 10 people in Utilities including John Bowen, Utilities Supervisor and Utilities Administrative Assistant. The supervisor and crewmen are required to obtain and maintain ADEQ Certifications which entail 47 total Certifications. At this time, there are 4-Utility Worker III, 2-Utility Worker II, and 2-Utility Worker I. To Mr. Bowen's knowledge, the City has never had 4-Utility Worker III's on staff. (Note: the following was provided by Linda Stoddard, Public Services & Works Administrative Assistant.)

Gas Section

- The Mini Max, the equipment at the regulator station that records atmospheric pressure, gas pressure and gas usage, was repaired. Due to age and corrosiveness of the gas, the internal gears were worn away and had to be replaced.
- Crewmen repaired 16 below ground gas leaks and 89 above ground gas leaks discovered during the annual gas leak survey. The survey is conducted every June as required by the Arizona Corporation Commission and Federal Pipeline Safety regulations. An outside leak survey company is hired due to their more sensitive leak detection equipment. {or – An outside leak survey company is hired due to their higher grade equipment}
- To help reduce above ground leaks, the crewmen have begun utilizing a meter loop instead of nipples and unions on the gas meter connections.
- ACC requires we maintain very strict manuals O&M, ER Manuals, Substance Abuse Manual.
- Streets, Parks, Utilities, and Mechanic Supervisors attended a required Alcohol and Drug Detection class this year. The class is a requirement of Federal Pipeline Safety and staff decided it was more advantages for the City to train all the supervisors instead of only one. The training was free through the local SEBHS offices.
- Audit went very well and had very few revisions or corrections.
- A Gas Training Program was purchased to comply with Federal Pipeline Training Regulations. The crewmen log into the internet based program, review a training video, and take a test. The training and test results can be reviewed for passing scores.
- Utilities have one (1) employee in the process of acquiring his pipeline welding certification. The Certified Pipeline Welder retired a year ago. If any welding is needed on the steel gas pipeline, the certified welder from City of Safford is contacted.
- Projects – In an ongoing effort to improve efficiency and safety, the Utilities crew are replacing old steel gas mains with more durable and safer polyethylene pipe. The projects take a little more time due to the amount of other utilities in the area. The projects are:
 - Replace/upgrade meters to new electronic read meters.
 - Anodes were installed to protect the steel gas mains from corrosion. The anodes are watered and tested monthly to monitor proper corrosion control minimal current protection.

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 3RD DAY OF MAY 2010**

- The 100/200 Block S. Bowie/Cochise alley main replacement project was scheduled for the 2010/2011 budget year, but due to the severity and multiple new leaks discovered during the annual leak survey, staff determined to conduct the project this fiscal year. The project was completed in early May, 2010.
- The steel gas main from Maley Avenue north to Pearce Street, in the alley between Bowie/Cochise is being replaced with polyethylene pipe. The project started mid May, 2010 and is scheduled to be completed in June/July, 2010.

Water Section

- The crew repaired approximately 8 hydrants by replacing internal parts and two hydrants were replaced. The annual maintenance of the hydrants was conducted and includes oiling and exercising the valves etc. There are several hydrants that still need to be replaced in the next fiscal year.
- The hydrant located in the alley between Haskell Avenue and Railroad Avenue on Wasson was located too close to the street. The Utilities crewmen relocated the hydrant away from the street, costing \$7,983.98.
- As part of the Pattie Road chipseal and realignment, the fire hydrant located on Pattie Road and Flagstaff would have been in the road. Utility crewmen relocated the hydrant to the right-of-way at a cost of \$6,324.87.
- Arizona Department of Environmental Quality and Environmental Protection Agency passed new laws regarding water testing. If one test is returned positive for contaminants, a series of additional testing is required. The crewmen installed Test Point #9 to comply with the additional testing requirements. Four water samples are tested at an independent laboratory in Tucson to comply with regular water monitoring.
- Wells #1 and #3 were upgraded and are {connected} to the SCDA system installed as part of the Well #2 construction. Staff is investigating the electrical cost savings in regards to the installation and use of a Variable Frequency Drive (VFD) on Well #1.
- Staff originally was going to install a back up power generator at Well #1 to be utilized during power outages until Councilman Klump recommended installing a combination gear head with both gas and electric motor. The recommendation is being considered by the {engineering firm or staff}.
- The Utilities crew discovered during a gas main replacement project located in the 100 block alley between Cochise and Bowie, that a ¾" steel water main supplied water to three to four homes. The crew installed a 6" water main to improve water service and pressure to the homes.
- Most of the water valves in the system are below grade and have never been serviced (oiled and exercised). Crewmen are in the process of locating all buried and exposed water main valves and performing general maintenance and locating on the mapping system for emergency use.
- Staff purchased a new water and gas main/valve locator system, V-Loc Locator, to more accurately locate mains. The V-Loc system locates small balls that emit a pulse. The new locator system will be advantageous during emergencies when valves are covered by dirt, pavement, etc.

Waste Water

- Arizona Department of Health and Laboratory Services conducted the annual inspection, finding several deficiencies in general housekeeping and equipment being utilized to test waste water samples. New equipment and testing methods were established and the deficiencies were resolved. Water samples are not tested at the Willcox laboratory; they are tested at a certified laboratory in Tucson.

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 3RD DAY OF MAY 2010**

- There was a potentially hazardous configuration of valving at the treatment plant. When the pumps in the headworks required servicing, cleaning, or repair, crewmen were unable to stop the influent flow to backflush the pumps. In review of the original design, it was discovered the contractor did not install the piping and valves according to design. The Utilities crew installed check valves at the outlet side of the headworks, rectifying the hazardous conditions.
- Installed high water alerts (red flashing lights) at Lift Stations. There are 3-lift stations: KOA on Virginia; Wood Street; and Railroad and McCourt. Signs have been ordered with contact numbers to be in compliance with ADEQ Regulations.
- Next year will do more manhole seals to eliminate odor and problem get infiltration of rain water i.e. The crew has installed approximately 25 seals where the most infiltration occurs. More are planned to be installed during the next fiscal year.
- The manholes along Fremont were raised to grade to prevent infiltration and driving hazards.
- An ongoing problem is the improper or lack of servicing and cleaning grease traps on the west side of town. Periodically, crewmen have to remove packed grease from the wet well at Virginia Ave. Lift Station and along the main in front of KFC. Recently, the grease pack in the Virginia Ave. wet well was so thick, an outside company had to be hired to break it and remove it. Gas and Water Meter Replacement Program: Utilities will continue to replace the gas and water meters, upgrading to the radio read system. Previously, it took the meter reader approximately 3 weeks to read meters and now it takes a week and a half.
- 2010-11 Budget Year - The new sewer jet and pot hole machine need to be stored in a temperature controlled environment to prevent equipment damage during the winter. The heated storage building would cost approximately \$30,000.
- Several of the crewmen service trucks need to be replaced. Staff is developing a plan to replace the vehicles.

Future Projects

Gas

- Replace the gas main in the alley between Haskell Avenue and Railroad Avenue from Arizona Avenue to Maley Street. The project may take longer due to the amount of other utilities and unknown utilities installed before mapping was required.
- Replace the deteriorating steel gas mains in Casas Lindas. The project may take several years due to the footage of pipe and multiple homes.
- Gas and water meters loose accuracy as they age. The Utilities section will continue to replace and upgrade the gas and water meters to the new electronic read equipment and new, more accurate meters.
- Natural Gas Regulator Station: build new gas regulator station located north of Willcox. The current 4 inch natural gas main line was installed in 1946 and is thin-walled steel. With it being the only gas supply main, the City would be in dire straights if the line was damaged or inoperable. Staff recommends the construction of a new regulator station north of Willcox to provide a redundancy of supply line and additional pressure in winter.

Water

- Approximately 25 water valves have been identified as inoperable and need to be replaced for emergency repair, etc. When the utilities division repairs a water leak close to the inoperable valves, a larger area has to be turned off, effecting more homes and businesses.
- 2010-11 Budget Year – Tank #2 and Well #2 Security fence

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 3RD DAY OF MAY 2010**

- Fiscal year 2011-12 – install new water main from Ft. Grant Road south to Airport Road, then east to Ironwood to loop the system and prevent stagnation while improving water pressure to the Casas Lindas area. The most expensive part of the project would be the hiring of a contractor to bore under Interstate 10.
- Fiscal year 2011-12 – The City has only one water transmission main from the wells into the City. Staff proposes the installation of a 16" water main, possibly along Jonnie Drive and/or Circle I Road to improve water pressure and redundancy.

Sewer

- Tetra Tech is working with staff on the Engineering and Design of the Waste Water Treatment Plant.

City Manager McCourt reminded the Mayor and Council that next Monday, May 10th work shop to address the WWTP options previously discussed. It was asked that staff be available for a tour of the WWTP at 5:30 p.m. and not sure how many may attend. Staff suggested start work session later to give more time to complete tour of WWTP or change from 6:00 p.m. to 6:30 p.m.

ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 6:50 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the work session meeting of the City Council of the City of Willcox held on the 3rd day of May 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 21st day of May 2010

City Clerk Cristina G. Whelan, CMC

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2010.

MAYOR

ATTEST:

City Clerk Cristina G. Whelan, CMC

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 17TH DAY OF MAY 2010**

CALL TO ORDER by Mayor Lindsey at 6:05 p.m. on Monday, May 17, 2010– Welcomed all visitors.

ROLL CALL called by Recording Secretary Sherry Van Allen

PRESENT

Mayor Gerald W. Lindsey
Councilman Elwood A. Johnson
Councilman Jimmy L. Norris
Councilwoman Monika Cronberg
Councilman Stephen Klump
Councilman Christopher Donahue

STAFF

City Manager Pat McCourt
City Attorney Hector M. Figueroa
Recording Secretary Sherry Van Allen
Public Safety Director Jake Weaver
Library Director Tom Miner
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner
Development Services Jeff Stoddard

ABSENT

Vice Mayor Larry N. Schultz

PLEDGE OF ALLEGIANCE TO THE FLAG lead by Mayor Lindsey

CALL TO THE PUBLIC - None

DECLARATION ON CONFLICT OF INTEREST

Councilman Klump declared a conflict on agenda item #16 relating to request funding for the Centennial Committee Display.

ADOPTION OF THE AGENDA

MOTION Councilman Johnson moved to approve the agenda as presented. **SECONDED** by Councilwoman Cronberg.
CARRIED

**DISCUSSION/DECISION ENTER EXECUTIVE SESSION PURSUANT TO ARIZONA REVISED STATUTES § 38-431.03A(3)
DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC
BODY.**

City Attorney Hector M. Figueroa addressed the assembly regarding the executive session clause being added as a regular agenda item. He explained that if at anytime, any listed agenda item is subject to by any member of the Council requesting to go into executive session to obtain legal advice. A motion and second must be made and properly carried through.

RECESS TO EXECUTIVE SESSION, IF APPROVED

RECONVENE FROM EXECUTIVE SESSION

CONSENT AGENDA

Consent Agenda information was explained to Council members, staff and the public by City Attorney Figueroa. Consent agenda will appear on all future agendas.

Point of clarification: the Mayor or the City Attorney will act as parliamentarian.

Additional point of clarification was made stating this meeting the Consent Agenda items have been separated into two (2) separate items due to ratification.

Consent Agenda items:

**DISCUSSION/DECISION REGARDING PRESENTED AT THE MAY 3, 2010 COUNCIL MEETING THE AGENDA ITEMS
AND MINUTES FOR THE MEETING OF APRIL 19, 2010 APPROVING AND AUTHORIZING RATIFICATION OF SAME
WITH NOTICE TO THE PUBLIC OF SAID RATIFICATION TOGETHER WITH A DESCRIPTION OF THE ACTION TO BE
RATIFIED, THIS IS A CLEAR STATEMENT THAT THE PUBLIC BODY PROPOSES TO RATIFY A PRIOR ACTION AND
THE PUBLIC MAY OBTAIN A DETAILED WRITTEN DESCRIPTION OF THE ACTION TO BE RATIFIED AS SPECIFIED
BELOW FROM THE CITY CLERK, RATIFIED AS 10A THROUGH 10F:**

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 17TH DAY OF MAY 2010**

- 10A. THE MINUTES OF THE REGULAR MEETING HELD ON APRIL 19, 2010
- 10B. RESOLUTION NO. 2010-36 RATIFYING, APPROVING AND AUTHORIZING A LETTER OF SUPPORT FOR THE COCHISE COUNTY ARIZONA CENTENNIAL COMMITTEE'S APPLICATIONS FOR ARIZONA CENTENNIAL 2012 LEGACY PROJECT AND EVENTS DESIGNATIONS AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.
- 10C. RESOLUTION NO. 2010-42 APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE 2010 RURAL AND VOLUNTEER FIRE ASSISTANCE GRANT PROGRAM FOR FUNDS TO BE USED FOR WILDLAND FIRE-FIGHTING TRAINING AND PURCHASING FIREFIGHTER PROTECTIVE EQUIPMENT, DIRECTING CITY OFFICIALS TO SUBMIT APPLICATION DOCUMENTS AND DECLARING AN EMERGENCY TO EXIST.
- 10D. RESOLUTION NO. 2010-43 APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE TOHONO O'DHOM NATION ("NATION") PURSUANT TO A.R.S. 5-601-02 12% GAMING DISTRIBUTION, DIRECTING CITY OFFICIALS TO SUBMIT APPLICATION DOCUMENTS AND DECLARING AN EMERGENCY TO EXIST.
- 10E. RESOLUTION NO. 2010-46 APPROVING AND AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR A TRANSPORTATION ENHANCEMENT GRANT (TEG) FOR THE CONSTRUCTION OF SIDEWALKS AND ADA CORNER RAMPS ON ARIZONA AVENUE, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.
- 10F. RESOLUTION NO. 2010-47 APPROVING AND AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) FOR THE REPLACEMENT OF SIGNS IN ACCORDANCE WITH NEW MANUAL SIGN STANDARD, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.

MOTION Councilman Johnson moved to ratify the minutes and the agenda items for the meeting of May 3, 2010, as presented. **SECONDED** by Councilwoman Cronberg. - **CARRIED**

Consent Agenda items:

- 11A. REX ALLEN DAYS PARADE STREET CLOSURE ON SATURDAY, OCTOBER 3, 2010
- 11B. REX ALLEN DAYS CARNIVAL AT KEILLER PARK FROM TUESDAY, SEPTEMBER 29 THROUGH MONDAY, OCTOBER 5, 2010
- 11C. STREET CLOSURE FROM RAILROAD AVENUE FROM GRANT STREET TO MALEY STREET, FROM MALEY STREET TO STEWART STREET, STEWART STREET FROM THE ALLEY BETWEEN HASKELL AVENUE AND RAILROAD AVENUE AND THE INTERSECTION OF RAILROAD AVENUE AND STEWART STREET FOR THE 4TH ANNUAL WILLCOX CLASSIC CAR SHOW ON SATURDAY MAY 29, 2010 6:00 A.M. THROUGH 6:00 P.M.
- 11D. RESOLUTION NO. 2010-53 APPROVING AND ADOPTING THE DESIGNATION OF ALTERNATE LOCATIONS FOR REGULAR, SPECIAL COUNCIL MEETINGS AND WORK SESSIONS AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.
- 11E. DISCUSSION/DECISION REGARDING THE MINUTES OF THE WORK SESSION MEETINGS HELD ON APRIL 5, 2010

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
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(11E concludes the Consent Agenda Items for May 17, 2010.)

MOTION Councilwoman Cronberg moved to approve consent agenda items 11A - 11E as presented. **SECONDED** by Councilman Johnson. **CARRIED**

DISCUSSION/DECISION REGARDING REQUEST FROM REX ALLEN DAYS (RAD) FOR WAIVER OF FEES AT QUAIL DRIVE SPORTS PARK RODEO GROUNDS ON SEPTEMBER 30, 2010 THROUGH OCTOBER 3, 2010

MOTION Councilman Johnson moved to approve waiver of fees at Quail Drive Sports Park Rodeo Grounds on September 30, 2010 through October 3, 2010 for RAD. **SECONDED** by Councilman Donahue. **DISCUSSION:** Councilman Johnson asked the total amount of waived fees being requested? City Manager McCourt responded \$525.00. **CARRIED**

DISCUSSION/DECISION REGARDING THE REQUEST FROM REX ALLEN DAYS INC. FOR A SPECIAL EVENTS LIQUOR LICENSE AT QUAIL PARK ARENA ON OCTOBER 2 AND 3, 2010 DURING THE REX ALLEN DAYS RODEO

MOTION Councilman Johnson moved to approve the request from RAD Inc., for a Special Events Liquor License at Quail Park Arena on October 2 & 3, 2010 during the RAD Rodeo. **SECONDED** by Councilwoman Cronberg. **CARRIED**

DISCUSSION/DECISION REGARDING REQUEST INDIVIDUAL PERMITS WAIVED FOR ALL VENDORS AT KEILLER PARK DURING REX ALLEN DAYS BEGINNING THURSDAY, SEPTEMBER 30, 2010 THROUGH SUNDAY, OCTOBER 3, 2010.

MOTION Councilman Johnson moved to approve the request from RAD Inc., for the request that the individual permits waived for all vendors at Keiller Park during RAD beginning Thursday, September 30, 2010 through Sunday, October 3, 2010. **SECONDED** by Councilwoman Cronberg. **DISCUSSION:** Councilman Johnson asked what the monetary impact is of this waiver. City Manager McCourt responded by saying there is a fiscal impact, however, we can not determine it because we do not know how many vendors would be purchasing licenses. **CARRIED**

DISCUSSION/DECISION REGARDING RAILROAD TELEPHONE BOOTH DONATION

MOTION Councilman Johnson moved to approve the donation of a Railroad Telephone Booth to be placed at Railroad Park. **SECONDED** by Councilman Donahue. **CARRIED**

DISCUSSION/DECISION REGARDING FUNDING REQUESTED FOR THE COCHISE COUNTY ARIZONA CENTENNIAL COMMITTEE DISPLAY

MOTION Councilman Norris moved to approve the request regarding funding requested for the Cochise County Arizona Centennial Committee Display for \$1350.00 at \$450.00 each to pay for the three (3) requested figures. **SECONDED** by Councilman Donahue. **DISCUSSION:** City Manager McCourt asked if they were to incorporate the \$1,350 into the FY11 Budget under Community Development. Mayor Lindsey responded "yes, that seemed like a natural place for it to come from." Councilwoman Cronberg asked if community members may also donate. City Manger McCourt stated the City will accept all donations to recoup the allotted City funds. **VOTE: Ayes-Mayor Lindsey, Council members Johnson, Norris, Cronberg and Donahue. Nays-0-. Absent: Vice Mayor Schultz. Declared Conflict: Councilman Klump. CARRIED. 5-0-1-1.**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-49 APPROVING AND ADOPTING THE LEASE AGREEMENT BETWEEN THE CITY OF WILLCOX ["LANDLORD"] AND CLEAR CHANNEL OUTDOOR, INC., A DELAWARE CORPORATION ["TENANT"] FOR THE PURPOSE OF LEASING CITY OWNED PROPERTY FOR A BILLBOARD SPACE, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND THE LEASE AGREEMENT AND DECLARING AN EMERGENCY TO EXIST.

MOTION Councilwoman Cronberg moved to approve the request regarding Resolution No. 2010-49, as stated, relating to the Lease Agreement with Clear Channel Outdoor, Inc. for the purpose of leasing City owned property for a Billboard Space. **SECONDED** by Councilman Donahue. **DISCUSSION:** City Manager McCourt explained that the City has two (2) billboards operated by Clear Channel located on City Property and that the lease expired last year. These agreements will allow the City face space located on a billboard facing east and west on I-10. The Chamber has agreed to provide the script to advertise on the billboards. City Manager McCourt explained that billboard copy has about a two-year life span. Councilman Johnson asked what the normal cost for the rental of the billboards. City Manager McCourt responded they

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
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cost about \$700.00 per month per board. He informed the Council that the concept of this billboard design is to get traffic to stop in Willcox. He stated that Clear Channel is solely responsible for the billboards that they have on City property. Councilman Johnson suggested that the Council have a work session on the wording to go on the City advertised billboards. City Manager McCourt explained that this motion allows the agreement not the billboard wording. **CARRIED**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-50 APPROVING AND ADOPTING THE LEASE AGREEMENT BETWEEN THE CITY OF WILLCOX ["LANDLORD"] AND CLEAR CHANNEL OUTDOOR, INC., A DELAWARE CORPORATION ["TENANT"] FOR THE PURPOSE OF LEASING CITY OWNED PROPERTY FOR A BILLBOARD SPACE, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND THE LEASE AGREEMENT AND DECLARING AN EMERGENCY TO EXIST.

MOTION Councilman Johnson moved to approve the request regarding Resolution No Resolution No. 2010-50, as stated, relating to the Lease Agreement between the City and Clear Channel Outdoor, Inc. for the purpose of leasing City owned property for a Billboard Space. **SECONDED** by Councilman Donahue. **CARRIED**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-51 APPROVING AND ADOPTING THE SERVICE AGREEMENT WITH SMARTSCHOOLS, INC., AN ARIZONA CORPORATION D/B/A SMARTWORKSPPLUS ["PROVIDER"] FOR CONTRACT EMPLOYEE LEASING SERVICES AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION, THE AGREEMENT AND DECLARING AN EMERGENCY TO EXIST.

MOTION Councilman Johnson moved to approve the request regarding Resolution No. 2010-51, as stated, relating to Service Agreement with Smartschools, Inc. for Contract Employee Leasing Services. **SECONDED** by Councilman Klump.

DISCUSSION: Councilman Johnson stated he believed that this is a great program. **CARRIED**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-52 APPROVING AND ADOPTING THE AMENDMENT TO THE SERVICE AGREEMENT WITH SMARTSCHOOLS, INC., AN ARIZONA CORPORATION D/B/A SMARTWORKSPPLUS ["PROVIDER"] FOR THE PURPOSE OF PLACING THE CITY MANAGER AS A CONTRACT PROVIDER EMPLOYEE WITH THE CITY AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION, THE AGREEMENT AND DECLARING AN EMERGENCY TO EXIST

MOTION Councilman Johnson moved to enter into to executive session
SECONDED by Councilwoman Cronberg - **CARRIED.**

RECESSED INTO EXECUTIVE SESSION AT 7:52 P.M.

RECONVENED FROM EXECUTIVE SESSION AT 8:14 P.M.

MOTION Councilman Johnson moved to revisit item #19 for the purpose of clarification discussion only.

SECONDED by Councilwoman Cronberg. **CARRIED**

Councilman Johnson asked Smartworks President Sandee McClelland if a potential retiree must give their employer a 30-day written notice of intent to retire.

Ms. McClelland addressed the Council clarifying the requirements for eligible retirees to enter into contract negotiations with *smartworksplus Inc*, She stated as per Exhibit D of the Service Agreement the retiree must give their employer a letter of intent at least 30 days in advance. Councilwoman Cronberg asked if the process usually takes the full thirty days. Ms. McClelland said "yes it does" in order for the retiree to negotiate the contract with smartworksplus and that thirty days is needed for the retiree to properly inform Arizona State Retirement. Councilman Johnson asked about the large lump sum pay outs that may be due to employees upon retirement. Finance Director Ruth Graham responded that the City has internal methods in place to handle these buy outs and that they have nothing to do with employment through smartworksplus, they are handled internally between the City and the retiree. Councilman Johnson then asked Ms. McClelland that if a contract is presented to the Council by a retiree that has been worked out with smartworksplus can the Council reject it. Ms. McClelland said all contracts are subject to recommendation and approval by City Council.

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
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MOTION Councilman Johnson moved that the request regarding Resolution No. 2010-52, as stated, relating to Amendment to the Service Agreement with Smartschools, Inc. for the purpose of placing the City Manager as a Contract Provider Employee with the City is tabled. **SECONDED** by Councilwoman Cronberg. **CARRIED**.

REPORTS BY THE CITY MANAGER PAT McCOURT

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

Report on Use of Personal Cell Phone -Pat McCourt, City Manager, announced a list of City issued phones has been provided in the council packets.

Sale of City Property- City Manager McCourt announced bid packets can be obtained from the City Clerk's office, Development Services office and on the web for the sale of City property. All bids are due Friday, May 28, 2010 at 3:00 p.m. in the Office of the City Clerk.

City Manager Out-of-State- City Manager McCourt announced he will be out-of-state from May 20th thru May 27th, he clarified he will be back in the Office on May 28th

Council Packets on web- City Manager McCourt announced that staff plans to have the council packets on the City's web site available to staff and the public effective the first meeting in July 2010.

Report on Informational Fair- City Manager McCourt on the Informational Fair held on Wednesday, May 5, 2010. He stated it was a great success and many vendors turned out and actual census forms were completed and turned in on site.

Report on Electronic Recycling- City Manager McCourt reported on behalf of Dave Bonner, PS&W Director that electronic recycling was held on Saturday, May 15th.

Proposition 100 Election May 18, 2010 City Manager McCourt announced that the County-wide Proposition 100 Election will be held on May 18, 2010 in the City Council Chambers, 300 W. Rex Allen Drive. Polls Open at 6:00 a.m. until 7:00 p.m.

Run For The Wall- City Manager McCourt announced on behalf of Chief Jake Weaver that "Run for the Wall" will be held on Thursday, May 20, 2010. Lunch and ceremony at the Elk's Lodge, 247 E. Stewart Street, they are accepting donations contact Pat Stark 520.384.2131.

Employee Benefits Meeting- City Manager McCourt reported the Employee Benefits Meeting will be held on Thursday, May 20, 2010 at 6:30 p.m., City Council Chambers (spouse is welcomed to attend). Discuss insurance with Employees

CHANGE: Special Meeting on Thursday, June 3, 2010 for Swear In Ceremony- City Manager McCourt announced that the Oath of Office for the 4-elected Council members will be on Thursday, June 3, 2010 at 6:00 p.m. City Council Chambers.

COMMENTS NOT FOR DISCUSSION FROM MAYOR AND COUNCIL MEMBERS.

Councilman Johnson announced that the Historical Festival & Wine event was a great success.

Mayor Lindsey announced the success of the Wine Festival and congratulated the Willcox High School Girls Softball Team for winning the State Championship!

Councilman Norris – Thanked everyone for allowing him to serve the people of Willcox. Best wishes to the new council members. Encouraged the new members to always support what has been voted upon even if they disagree.

ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 8:12 p.m.

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 17TH DAY OF MAY 2010**

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 17th day of May 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 26th day of May 2010

Recording Secretary Sherry Van Allen

PASSED, APPROVED AND ADOPTED this _____ day of _____ 2010.

MAYOR GERALD W. LINDSEY
Signed: _____

ATTEST:

City Clerk Cristina G. Whelan, CMC

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 24TH DAY OF MAY 2010**

CALL TO ORDER Mayor Gerald W. Lindsey called the work session meeting to order at 6:03 p.m. on Monday, May 24, 2010.

ROLL CALL by was taken by Recording Secretary Sherry Van Allen

PRESENT

Mayor Gerald W. Lindsey
Councilman Elwood Johnson
Councilman Stephen Klump
Councilman Christopher Donahue

CITY STAFF

City Attorney Hector Figueroa
Recording Secretary Sherry Van Allen
Finance Director Ruth Graham
Public Works Director David Bonner
Library Director Tom Miner
Development Services Jeff Stoddard

ABSENT

Vice Mayor Larry Schultz
Councilman Jimmy Norris
Councilwoman Monika Cronberg

PLEDGE OF ALLEGIANCE TO THE FLAG lead by Mayor Lindsey

DECLARATION ON CONFLICT OF INTEREST – None Declared

ADOPTION OF THE AGENDA

MOTION Councilman Johnson moved that the agenda be adopted as presented.

SECONDED by Councilman Donahue. **CARRIED**

DISCUSSION REGARDING FY2010-11 BUDGET FOR AIRPORT; LEGAL-MAGISTRATE; LIBRARY; DEVELOPMENT SERVICES; PUBLIC WORKS-ADMINISTRATION, PARKS, SWIMMING POOL, CEMETERY, VEHICLE MAINTENANCE AND BUILDINGS AND GROUNDS.

Discussion regarding the FY2010-11 Budget for Airport and Legal Council and Magistrate was presented by Finance Director Ruth Graham. Ms. Graham informed the Council that the County has been contacted regarding negotiations for the City to acquire the Airport. She discussed City Attorney contract and Magistrate Court. She announced that income revenues are declining. However, the County taking over the Magistrate Court has been a great cost savings to the City. Councilman Johnson asked if Code Enforcement prosecution will increase revenue for the City. City Attorney Hector M. Figueroa responded saying that City Code violations are Civil. It is not intended to generate large amounts of income for the City. It is a process to get citizens to comply with codes and clean up their property. He stated that the revenue that is declining reported by Ms. Graham is carry-overs from when the City handled the Magistrate Court. The City Attorney also stated the County assuming the Court has saved the City a large amount of money.

Discussion regarding the FY2010-11 Budget for Library was presented by Library Director Tom Miner – He announced that many good things are happening for the Library. Renovations should be completed this year on schedule and on budget. It is estimated that 42,000 patrons will visit the library this year. Library Advisory Committee President Dee Aimen spoke on behalf of the Library and in support of the Library Director. She also stated that the committee supports the current technology being offered at the Library. Mr. Miner stated that he is presenting a budget that is \$16,000 less than last years budget. Councilman Johnson asked how much of the remodel is completed. Public Works Director Dave Bonner responded that the project has been completed; all that is left is cosmetic details. Councilman Johnson asked about furniture, shelves, etc? Mr. Miner stated money is allocated in budget under Contingency to finish up the remodel incase the grant the library applied for is not approved. Mayor Lindsey said he hopes that the library will keep on applying for the grants and continue in everyway to reduce the City's portion of the library expenses.

City Attorney Figueroa questioned why the South West Risk insurance has been split out from one blanket amount and is being charged to each department? Finance Director Graham responded that the City has worked very closely with Southwest Risk

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND
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and have split the insurances so each department pays actual costs. She will provide each council member with a complete price breakdown of the policy at the next meeting.

Discussion regarding the FY2010-11 Budget for Development Services presented by Jeff Stoddard. Mr. Stoddard reported that 301 Building Permits have been issued and he has conducted 910 building inspections. He also announced that his training budget has been cut back to only encompass necessary training that is required to keep his certifications.

Discussion regarding the FY2010-11 Budget for Public Works-Dave Bonner presented the Administration and Vehicle Maintenance portion of the Public Works budget. Utilities are budgeted in the administration lines for all of the public works building and the warehouse. Vehicle maintenance -2 positions in that department. However, most expenses from this department are charged back to the departments.

Discussion regarding the FY2010-11 Budget for Parks, Swimming Pool, Cemetery, Buildings and Grounds presented by Facilities and Grounds Supervisor Oscar Hudson. – General fund items – Mr. Hudson presented a periodic maintenance schedule implemented to advise the Facilities Supervisor of items that are in need of service. Facilities and Parks work plan – This schedule addresses items that have been neglected for a few years and a new schedule has been implemented. The upgrade plan is scheduled through 2012. Mayor Lindsey asked about the schedule of repairing the roof on the dug out that was lost? Mr. Hudson responded the dug out has been covered with a temporary cover and the materials have been ordered to replace it. Mayor Lindsey asked about replacing the roof on the Ramada? Mr. Hudson answered that it is going to have to be completed by a contractor. It is more of a task than the facilities department will be able to handle in-house.

Mr. Hudson explained the capital purchase request for equipment to prepare the rodeo arena. The approximate cost is \$5,000 if purchased from the Kaiser Company. Mayor Lindsey asked if we currently have a tractor that will pull this equipment. Mr. Hudson answered “yes we do.”

Facilities Use Agreement Form – since the implementation of this form there have been 103 forms completed. 23 rodeos have been held and the City has collected \$3,651 in fees paid to use the Community Center. We have waived fees of over \$6000 in the last 8-months for facilities use.

Discussed the 5 year plan – Parks would like to add an additional ball field. They would like to replace the eighteen year old lawn mower with another John Deere ZTR. Also would like to replace the awnings on the shades that were removed a few years ago due to safety issues. In 2012 – would like to replace or resurface the walking trail at Keiller Park. PS&W Director Bonner informed the council that the bids received came in over budget on the Skate Park.

Buildings and Grounds – Golf Course renovations are needed on all of the buildings. Quail Park needs picnic tables and benches. This Park has no additional seating except for the bleachers.

Councilman Donahue stated to Mr. Hudson that Parks and facilities are one of the toughest departments in the City to maintain. The Parks Department works very hard to keep things running and all of the citizens of the community happy.

ADJOURN - There was no further business brought forth and the Meeting was adjourned at 7:40 p.m. by Mayor Lindsey.

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 24th day of May 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 27th day of May 2010

Recording Secretary Sherry Van Allen

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 24TH DAY OF MAY 2010**

PASSED, APPROVED AND ADOPTED this _____ day of _____ 2010.

MAYOR GERALD W. LINDSEY

Signed: _____

ATTEST:

City Clerk Cristina G. Whelan, CMC

CITY OF WILLCOX
Request for Council Action

Agenda Item: 12B
Tab Number: 3
Date: 6/7/10

Date Submitted: June 1, 2010	Action: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal	Subject: DPS Lease Agreement Renewal
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To: Honorable Mayor and City Council
From: Ruth Graham, Director of Finance

Discussion: The City of Willcox requests approval of the Lease Agreement Renewal for Contract No. 98-206 and a Resolution to continue to allow the Department of Public Safety to continue to utilize our land located near the Cochise Visitor Center at 1101 N. Circle I Road in Willcox, Arizona. This agreement would extend the lease for one year. All provisions of the contract have been met by the Department of Public Safety. As a part of the agreement, the City provides water and refuse services to the property. The property is not a part of the City sewer system. The City pays for 1/2 of the refuse container located at the Chamber and used by DPS, and the Chamber of Commerce pays for the other half of the container.

Recommendation: Staff recommends that the Mayor and Council move to approve the Lease Agreement Renewal and Resolution allowing the Department of Public Safety to continue to make use of our land and building located at 1101 N. Circle I Road in Willcox, Arizona for the period from July 1, 2010 to June 30, 2011.

Fiscal Impact: \$0

Prepared By:

Approved by:


Ruth Graham, Finance Director


Patrick McCourt, City Manager



ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223-2000

"Courteous Vigilance"

JANICE K. BREWER ROBERT C. HALLIDAY
Governor Director

May 14, 2010

Ms. Christina G. Whelan, City Clerk
City of Willcox
101 South Railroad Avenue, Suite B
Willcox, Arizona 85643

Received
MAY 18 2010
City Manager's Office

**REF: LEASE RENEWAL FOR 1101 NORTH CIRCLE 1 ROAD, WILLCOX,
ARIZONA DPS CONTRACT NO. 98-206**

Dear Ms. Whelan:

Enclosed are three copies of another one-year lease renewal. If this is acceptable to the City Attorney, please place on the agenda for an upcoming City Council meeting.

Once signed by the Mayor, please return all copies to my attention. When signed by the Department, I will send you a fully executed copy.

If you have any questions, please call me at (602) 223-2641.

Sincerely,


Tom L. Heideman, Manager
Facilities Planning & Security

TLH: cd

Enclosures (3)

cc: Mr. Ted Dick
Lease File

RESOLUTION NO. 2010-54

A RESOLUTION OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND ADOPTING THE LEASE AGREEMENT RENEWAL BETWEEN THE CITY OF WILLCOX ["CITY"] AND ARIZONA DEPARTMENT OF PUBLIC SAFETY ["ADPS"] CONTRACT NO. 98-206 FOR PARCEL OF LAND AT 1101 N. CIRCLE I ROAD AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND THE LEASE RENEWAL AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the CITY is authorized pursuant to A.R.S. § 9-240, et seq. to exercise control of the property of the corporation and to erect, purchase or lease property for the purposes of the corporation; and

WHEREAS, the CITY is vested with all powers of incorporated towns as set forth in Title 9 or other provisions of law relating to cities and towns pursuant to A.R.S. § 9-499.01, et seq.; and

WHEREAS, the Original Lease Agreement included one parcel of real property described as "Approximately 1 acre of land located at the west end of Cochise Visitor Center, 1101 N. Circle I Rd., Willcox, AZ 85643" pursuant to Contract No. 98-206 with the option to renew the leasehold for additional two year terms with the same terms and conditions; and

WHEREAS, on July 17, 2006, the CITY and ADPS amended Paragraph 3 the Lease Agreement to provide one (1) year renewal terms and amended Paragraph 11 to replace indemnification language and further provided for all other terms to remain in full force and effect as is stated in the Lease Agreement; and

WHEREAS, the July 1, 1998 Lease Agreement/Contract No. 98-206 included Paragraph No. 11 [INSURANCE] wherein ADPS agreed to indemnify the CITY from any claims, demands, suits or actions of every kind and nature arising out of or in any way connected with the operations carried on by Tenant on the premises, or by the use of Tenant of any or all of the property or improvements covered by the lease, the Tenant is self-insured and shall provide Landlord with a certificate of self-insurance upon written request; and

WHEREAS, the CITY desires to approve and adopt the FY2010-2011 Lease Agreement Renewal, to renew the DPS Lease Agreement for one (1) year; and

WHEREAS, the City of Willcox, Cochise County, Arizona desires to have this Resolution presented at its June 7, 2010 Council Meeting and has determined that approval of Contract No. 98-206 "FY2010-2011 Lease Agreement Renewal" between the CITY and ADPS is in the best interest of the CITY and its residents; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure continued leased use of city property by ADPS, and that this Resolution shall be effective immediately upon its passage and adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, AS FOLLOWS:

Section 1: That the CITY formally approves and adopts the FY2010-2011 Lease Agreement Renewal as presented to Mayor and Council.

Section 2: That the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage by the City of Willcox, Cochise County, Arizona.

Section 3: The Mayor is empowered to execute this Resolution and Lease Agreement.

PASSED AND ADOPTED by the Council of the City of Willcox, Cochise County, Arizona, this ____ day of June, 2010.

APPROVED/EXECUTED:

Mayor,

ATTEST:

APPROVED AS TO FORM:

City Clerk, Cristina G. Whelan, CMC

City Attorney, Hector M. Figueroa

RESOLUTION NO. 2010-54

CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION

Agenda Item 12C
Tab Number 4
Date: 06-07-2010

Date Requested:
06-07-2010

X Resolution
 Ordinance
X Formal
 Other

Subject: Approval and
Adoption of 2010 Libr.
General Policy and
Meeting Room Policy

TO: MAYOR AND COUNCIL

FROM: Tom Miner, Library Director and the Public Library Advisory Committee

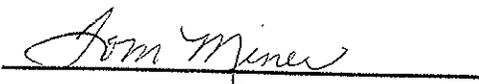
DISCUSSION: The 2010 Library General Policy and Meeting Room Policy were recently reviewed, updated and approved by the Public Library Advisory Committee members, the Library Director and staff, the City Manager, and the City Attorney. Their recommendations have all been incorporated and are now forwarded for your consideration, approval and adoption.

Per Title 2, Chapter 4, Section 2-4-5, Paragraph A of the City Code, the Public Library Advisory Committee is tasked to provide policy information and review, as well as evaluation and development of local library resources and services. Their letter of recommendation is attached.

RECOMMENDATION: The City Council approve the Resolution adopting the new 2010 Library General Policy and Meeting Room Policy.

FISCAL IMPACTS: None

Submitted by:



Tom Miner, Library Director

Approved by:



Pat McCourt, City Manager

CITY OF WILLCOX
ELSIE S. HOGAN COMMUNITY LIBRARY
Phone: 520/766-4250 Fax: 520/384-0126



100 North Curtis Avenue
Willcox, Arizona 85643-2150
Email: tminer@willcoxcity.org

"Yours, Mine and Ours"

From: PUBLIC LIBRARY ADVISORY COMMITTEE **May 25, 2010**

Subject: Approval and Adoption of the 2010 Updates to the Library General Policy and Meeting Room Policy

To: Honorable Mayor and Members of the Willcox City Council

Lady and Gentlemen,

In unanimous agreement, as per our Special Meeting held on May 25, 2010, it is the recommendation of this Committee that the City Council approve and adopt the Library's revised and updated General Policy and Meeting Room Policy, as written and presented to you this date.

Mr. Miner has satisfactorily answered all of the questions this Committee has raised pertaining to the updated policies, and has incorporated all of our suggestions.

Respectfully submitted,

Delah J. Aiman
Chairperson
Public Library Advisory Committee

RESOLUTION NO. 2010-55

A RESOLUTION OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, ("CITY") APPROVING AND ADOPTING THE ELSIE S. HOGAN COMMUNITY LIBRARY ["LIBRARY"] LIBRARY GENERAL POLICY AND MEETING ROOM POLICY AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the CITY is authorized pursuant to A.R.S. §§ 9-413; 9-419; 9-420, et seq. to establish a Library fund; to authorize the use of land and structures for a public library; to enter into agreements with the Arizona State Library, Archives and Public Records to provide supervision of expenditures of all monies involved in financing a library service; and

WHEREAS, the CITY is empowered to create a Public Library Advisory Committee "Committee" and to appoint five Committee Members pursuant to Title 2, Chapter 4 of the City Code; and

WHEREAS, the COMMITTEE is authorized to provide advisory assistance to the CITY in establishing rules, regulations and policy related to the use of the LIBRARY pursuant to Title 2, Chapter 4, Sections 2-4-4 and 2-4-5; and

WHEREAS, the COMMITTEE recently finalized the Library General Policy and the Meeting Room Policy that was necessitated by the Library Renovation Project and deemed necessary to be in compliance with City policies governing public use of public facilities; and

WHEREAS, the COMMITTEE desires to present the Library General Policy and the Meeting Room Policy to Mayor and Council for approval and adoption; and

WHEREAS, the City of Willcox, Cochise County, Arizona desires to have this Resolution presented at its June 7th, 2010 Council meeting and has determined that approval and adoption of the proposed Policies is in the best interest of the CITY and its residents; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely implementation of the stated policies, and that this Resolution shall be effective immediately upon its passage and adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, AS FOLLOWS:

Section 1: That approval and adoption of the LIBRARY Policies, as presented, is in the best interest of the residents of the City of Willcox.

Section 2: The CITY formally approves and adopts the LIBRARY Policies and authorizes the Library Director, Mr. Thomas Miner, to implement the Policies.

Section 3: That the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage by the City of Willcox, Cochise County, Arizona.

Section 4: The Mayor is authorized to execute this Resolution.

PASSED AND ADOPTED by the Council of the City of Willcox, Cochise County, Arizona, this _____ day of June, 2010.

APPROVED/EXECUTED:

Mayor,

ATTEST:

City Clerk, Cristina G. Whelan, CMC

APPROVED AS TO FORM:

City Attorney, Hector M. Figueroa

RESOLUTION NO. 2010-55

**CITY OF WILLCOX
ELSIE S. HOGAN COMMUNITY LIBRARY
GENERAL POLICY**

Revised July 2010

(Updated as required, minimum bi-annual review)

Welcome to the Elsie S. Hogan Community Library. The following is for your information only. If you have questions on this or any other part of our library services or policies, please feel free to speak to either the Lib Supervisor or the Director, or call us at (520) 766-4250.

Obtaining a Library Card:

1. Any Cochise County resident and/or his/her dependents shall be allowed the privilege of using library services without fee for the initial borrower's card. Proof of Cochise County residence (post office box numbers along with description of the location of residence will be accepted addresses), a reference (name, address, phone no.), and a picture ID are needed to obtain a library card. Lost or damaged cards will be replaced for a fee of \$1.00 (non-refundable).

A parent's or guardian's signature is required for applicants under 18 years old. A parent/guardian **must be present** when a child applies for a card. Our policy is: If a child is old enough to write their own name, then they are old enough to have a card, *however*, if any parent or legal guardian has outstanding fines on library items, a card will not be issued to that child until all fines are paid.

2. A ten dollar (\$10.00) refundable deposit shall be required of any non-resident patron. These patrons will be given a temporary library card and shall have full library privileges. The deposit will not be returned if the card is lost, stolen or damaged. A deposit will be refunded when:
 - a. The patron returns the temporary library card with proof of ID and paid receipt, AND
 - b. All materials have been returned, AND
 - c. All charges and fines have been paid.
3. Three types of borrower's cards shall be issued:
 - a. Adult - anyone 18 years of age or older.
 - b. Student - anyone 17 years of age or younger; must have parent or legal guardian signature.
 - c. Temporary Adult (non-resident) - \$10.00 deposit (refundable) required.

Circulation:

1. Patrons will be limited to possessing 10 items per library cardholder.
2. Most materials are checked out for a three-week loan period with the exception of movies, which are checked out for one week, and newly released items for two weeks, depending on the status of the material.
3. Materials may be renewed once; some restrictions may apply. Renewals may be done in person, by telephone or on-line, depending on the status of the material.
4. Reserves for materials are held for one week after the patron has been notified that the material is available.

available.

5. There will be no circulation of library materials to patrons with fines in excess of five dollars (\$5.00) or with an excess of overdue materials.

Overdue Materials Policy:

Overdue notices shall be processed and sent out weekly. Library privileges will be suspended for any patron in a delinquent status who has not made payment arrangements.

Patrons may not check out additional items, including Library equipment, until overdue items are returned, rechecked, or payment arrangements have been made. Payment arrangements may be made at the Library Director's and/or Library Supervisor's discretion.

Fines and Replacement Information:

Overdue materials will be charged fines as follows (per item):

Books - Regular 3-week checkout @ \$.10/day, with a 2-day grace period

Books - New releases @ \$.25/day, with a 2-day grace period

Interlibrary Loan Items @ \$.25/day, with a 2-day grace period

Videos @ \$.50/day, with no grace period

Audiocassettes and CDs @ \$.10/day, with no grace period

The maximum fine shall be five dollars (\$5.00) per item.

Patrons shall replace any book lost, destroyed or mutilated before circulation privileges are reinstated. See the attached reimbursement policy, which will be reviewed periodically by the Library Director and the Library Supervisor.

Internet Access:

Access to the Internet is described in the attached "Library Internet/Computer/Wireless Use Policy".

Camera, Video, Audio-taping Use:

No use of cameras, camera-phones, or video or audio-taping equipment is allowed in the library without the express permission of the Library Director.

Library Meeting Rooms:

Library meeting rooms are for meetings or programs of an educational, philanthropic, cultural, recreational or nature, and for other functions which, in the judgment of the City of Willcox or the Library Director, will benefit the residents of the community. Specific requirements concerning their use are contained in the attached Elsie Hogan Community Library Meeting Room Policy.

ELSIE S. HOGAN COMMUNITY LIBRARY REIMBURSEMENT POLICY

The policy of Elsie S. Hogan Community Library is to ask patrons who damage or lose library materials to reimburse the library for those materials. Staff makes every reasonable effort to secure such reimbursement for library materials and for inter-library loan materials, by notifying patrons of overdue books and billing for any outstanding charges before privileges are suspended.

This reimbursement policy allows staff to collect immediately for lost and damaged items. All cataloged items will be reimbursed at the price indicated on the item record, according to material code. In most instances, this will be the actual price of the book or materials, plus a \$3.00 processing fee per item.

For specialized materials such as audio/cassette tapes, DVDs, CDs, reference books, old or rare books, or any other materials which do not fit easily into one of the material codes, a default price from the computer policy will be used. Staff is allowed to use their own judgment in making exceptions for unusual materials or circumstances.

Checks should be made payable to Elsie S. Hogan Community Library or City of Willcox Library.

This policy will be reviewed and updated as required, a minimum of every two years by the Library Director and the Public Library Advisory Committee.

I. MISSION STATEMENT

Our purpose is to provide free library service to all citizens. We attempt to fill the informational, cultural, recreational, and educational needs of our users, and to encourage non-users to use our services. We continually try to provide new ways to expand our services and provide materials, old and new, in many media.

II. VISION STATEMENT

The vision of the Elsie S. Hogan Community Library is to provide literary, reference and artistic materials in a variety of formats for free use by the public and to promote the use of these materials for enlightenment and enrichment.

III. AUTHORITY AND RESPONSIBILITY FOR THE MAINTENANCE OF LIBRARY COLLECTIONS

A. It is a function of librarians to select and to discard library materials and to advise on their use. They are fitted for this task through training and experience. However, they must of necessity work within limitations of space and budget. Although they try to inform themselves as well as possible, they must work within their limitations of knowledge. Selection and withdrawal processes are therefore cooperative, and we welcome advice and suggestions from members of the community, the Public Library Advisory Committee, or authorities in various fields. Librarians, however, are responsible for judging the needs of their collections and their communities, and they must make the final choices.

B. Responsibility for book selection and book discarding for the Elsie S. Hogan Community Library rests with the Library Director and/or Library Supervisor, who operate within the framework of the policies and procedures developed by the Public Library Advisory Committee and Cochise County Library District.

IV. WITHDRAWAL AND WEEDING OF MATERIALS FROM LIBRARY COLLECTIONS

Materials are regularly discarded from library collections. They are withdrawn because they are out-of-date, so badly worn or damaged that they cannot be bound or mended, because it is cheaper to replace them, or because they are once-popular materials that are no longer used. Space, the cost of replacement, and the condition of the collection are factors in these decisions. Withdrawn books are donated to the Friends of the Library whose proceeds are all directly or indirectly returned to the library.

V. GIFTS

Gifts of books, monetary gifts, and other materials are accepted with the understanding that they may be used or disposed of according to policy. The Public Library Advisory Committee recommends that all donations be given through the Friends of the Library. New titles acquired in this manner are subject to the basic standards of selection. Replacement and duplicate copies are added to the collection if needed. The cost of processing and availability of shelving space are also factors in determining acceptance of gifts. The library does not provide evaluations of gifts for tax deductions or other purposes.

VI. LIBRARY RIGHTS

A. The Elsie S. Hogan Community Library subscribes to the Library Bill of Rights developed by the American Library Association as follows:

- I. Books and other library resources should be provided for the interest, information and enlightenment of all people of the community the library serves. Materials should not be excluded because of the race, background or views of those contributing to their creation.
- II. Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.
- III. Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.
- IV. Libraries should cooperate with all persons and groups concerned with restricting abridgment of free expression and free access to ideas.
- V. A person's right to use a library should not be denied or abridged because of origin, age, background or views.
- VI. Libraries which make exhibit spaces and meeting rooms available to the public they serve, should make such facilities available on an equitable basis, regardless of the beliefs or affiliations of individuals

affiliations of individuals or groups requesting their use.

B. Controversial Materials:

Intellectual freedom is the right of citizens in a democratic society to seek any information they want without interference from the government or other citizens. Public libraries and library staff support the concept of intellectual freedom, which means that they try to stock a wide variety of materials, representing many different viewpoints, reflecting the diversity of the community.

Some of these materials may be offensive to individuals or groups because of what they consider to be profanity, obscenity, or they might object to the social, economic and political ideas, religious viewpoints, the background of the author, the kinds of information provided, or for other reasons. Libraries do not advocate the ideas found in their collections or in resources accessible through the library. The presence of books and other resources in a library does not indicate endorsement of their contents by the library. Likewise, the ability for library users to access electronic information using library computers does not indicate endorsement or approval of that information by the library. We do believe it is essential to provide such materials if the American ideal of free speech is to be retained.

C. Age:

American public libraries flourish out of a commitment to the principle that knowledge and access to information empower the individual. Libraries embody the firm belief that information must not be the exclusive province of a privileged few and that it should be widely and freely available to all.

Each individual may choose what he/she wishes to read or view, but may not control what others read or view. Responsibility for the choices that children make rests solely with their parents or legal guardians. Librarians do not legally act "in loco parentis" (in the place of parents) as teachers do. Library staff and volunteers make reasonable efforts to assist users of all ages who are in search of information or learning how to use computers. While it is fine for a librarian to help a child find age-appropriate materials and suggest alternatives for a child who has randomly chosen a book that may be too "adult", the librarian shall not forbid a child to check out a given book because the librarian disapproves of the book. Even in a small community, some parents are very restrictive and other parents are very permissive. The parent of the child should make final decisions about what their child is allowed to read. As with other library materials, it is the responsibility of the parents/guardians, not the librarian, to restrict their children's access to online materials that are harmful to minors as defined in ARS Section 13-33-1(1). Parents should accompany young children to the library, and establish rules and expectations for older children that are in accordance with family values.

VII. LABELING AND COMPLAINTS

A. It is sometimes suggested that a label be affixed to library materials indicating a political or social point of view or indicating that an item is questionable or controversial. Such labeling suggests that Americans are incapable of making up their own minds about controversial subjects, and this practice is contrary to the American idea of the free market place of ideas. We do not subscribe to this practice.

B. In order to deal with objections to any item in the library a policy and procedure has to be established. No item is to be removed or restricted because of a complaint except in accordance with this policy and procedure.

C. All book complaints must be filed in writing with the Library Director who will then immediately notify the appropriate supervisory personnel and the Public Library Advisory Committee members. Complaints must be signed by the complaining party and will be placed on the agenda for the next regularly scheduled Public Library Advisory Committee meeting. Public Library Advisory Committee members will then have one month in which to review the complaint and the book. A special meeting will then be set to determine the library action on the complaint. All Public Library Advisory Committee members and the complaining party will be notified at least three days in advance of such meeting. The Public Library Advisory Committee's decision is final.

VIII. MATERIAL SELECTION POLICY

A. The Elsie S. Hogan Community Library, as part of its material selection policy, subscribes to the following statements published by the American Library Association:

1. Freedom to View
2. Free Access to Libraries for Minors
3. Freedom to Read Statement

IX. MATERIAL SELECTION GUIDELINES

A. Standard Bibliographies:

1. Library Journal
2. School Library Journal
3. Publisher's Weekly
4. Baker and Taylor; Ingram catalogs

B. Review Media:

1. Newspapers
2. Special reviews
3. New York Times Book Review

C. General factors for selection and rejection:

1. Literary quality
2. Cost
3. Balance of collection/need for subject representation in collection
4. Availability of material elsewhere in the community
5. Accessibility through ILL and/or cooperative ventures
6. Background of library patrons
7. Ethnic background of area served
8. Consideration of popular demand

X. LIBRARY STANDARDS OF ACCEPTABLE BEHAVIOR:

ELSIE S. HOGAN COMMUNITY LIBRARY, A MEMBER CITY LIBRARY OF THE COCHISE COUNTY LIBRARY DISTRICT

Elsie S. Hogan Community Library is funded by the City of Willcox and Cochise County. The library, through

through its staff, desires to maintain its facility in a clean, pleasant and safe manner. The library is to be used as a place to read, choose books and other library materials, use computers and the photocopy machine, attend library programs, and request information from library staff.

Occasionally, a library visitor engages in behavior that is unacceptable or dangerous to other patrons, library staff, or volunteers. Unacceptable behavior is defined as any behavior that constitutes a crime, impinges on the rights of others, could result in injury to oneself or others, or could result in damage to or loss of library property. The following listed behaviors are considered by the library to constitute unacceptable behavior. It is the policy of the library to ask people to modify unacceptable behavior or to leave the library premises. In the case of a suspected criminal offense, or refusal to modify unacceptable behavior, the Willcox Department of Public Safety will be contacted.

Criminal behaviors include, but are not limited to the following:

- Theft
- Vandalism to library property (including facilities, equipment or materials)
- Entering the library with any instrument that may be used as a weapon (a weapon is defined as anything that can be used to cause injury and includes but is not limited to, guns, knives, explosive devices, clubs, and caustic chemicals)
- Physical or verbal fighting (this behavior may be considered to constitute assault or disorderly conduct depending on the severity)
- Use of library computers or Internet in any way that violates Willcox City Ordinances, Arizona or Federal laws
- Exhibitionism or flashing of a sexual nature
- Gambling

Other unacceptable behaviors include but are not limited to the following:

- Using offensive or abusive language, violent or seriously disrupting behavior, or making unreasonable noise
- Consuming food or drink by library patrons is generally not permitted, unless the food and drink is provided by the library for a special occasion to be eaten in a designated area. Library staff and volunteers may consume food or drink in designated break areas.
- Intoxication of any kind
- Use of tobacco products of any kind
- Use of radios, tape or CD players, or other noise-emitting electronic devices without the use of headphones
- Leaving children younger than seven at the library without appropriate supervision (appropriate supervision means controlling any behavior by young children that could disrupt other library patrons or staff)
- Disciplining children in the library in a manner that injures the child or disrupts others
- Use of cell phones, including camera phones
- Soliciting for any purpose

Revised July 2010

Elsie S. Hogan Community Library Meeting Room Policy

I. Purpose

The Library Meeting Rooms are for meetings or programs of an educational, philanthropic, cultural, recreational or civic nature, and for other functions, which, in the judgment of the City of Willcox and the Library Director, will benefit the residents of the community.

II. Statement of Policy/Principles

- * Use of a Library meeting room for City of Willcox, Library, Library-affiliated or Library-sponsored/co-sponsored meetings or programs shall have priority over all other requests. Thereafter, requests are considered in the following order:
 1. Federal, State, County and Town governments and their committees/agencies.
 2. All other users on a first come, first served basis.
- * The Library reserves the right to relocate or cancel a booking of a Library meeting room, for either City of Willcox business or a Library program, with a 24-hour notice.
- * Scheduling of a meeting or program of a group or organization in the Library does not in any way constitute an endorsement by the Library of the group or organization; its activities; or of the ideas and opinions expressed during the course of meetings or programs held at the Library.
- * The use of the name, address or telephone number of the Elsie S. Hogan Community Library as the address for any group using the Library for meeting purposes is prohibited.

III. Guidelines

- * All requests to use the meeting rooms must be made in advance by a Willcox resident who takes responsibility for the group's compliance with this policy and for protection of all Library property in connection with the meeting.
- * Local non-profit organizations and associations may use a Library meeting room free of charge during Library hours. They must allow the general public access to their meeting, and may not charge admission fees.
- * For-profit groups and businesses may use a Library meeting room for education and training, but may not sell or dispense their product, distribute advertising, or schedule appointments for follow-up sales.
- * No group may transfer use of a Library meeting room to another group.
- * All fees are due upon submission of the application form.

IV. Fee Schedule

	Non-Profits/Associations	For-Profit/Private Use
Use During Library Hours		
Use Before/After Library Hours +		
Charge		

- * Normal Library Hours are as follows: **Monday, Tuesday, Wednesday, 10 – 6; Thursday, 10 – 7; Friday, 9 – 5; Saturday, 9 – 2; Closed Sundays and Holidays.**
- * Meetings must begin within 15 minutes of our scheduled closing time or an After Library Hours charge will apply. Those starting before 8 AM incur Before Library Hours charge.
- * The Meeting Rooms will **not be available on Sundays and Holidays.**

V. Application Form and Procedure:

- * Reservations are made with the Director of the Library by submission and approval of the Meeting Room Application Form.
- * The person signing the Application Form must be over 18 years of age and in attendance when the Meeting Room is in use. That person shall be responsible for the conduct of their group, payment of fees and for protection of library property in connection with the meeting.
- * Reservations must be made at least seven days prior to the meeting date, in order to allow sufficient time to process the application and to notify the contact person. Applications will be accepted up to 6 months in advance.
- * Any fees are due with the Meeting Room Application.
- * The applicant will be contacted by the Library Director or his/her agent if use of the room is **not** approved.
- * Cancellation of reservations for meetings is required **10 days in advance** for the return of any fees.

VI. User Responsibilities

- * Chairs and tables will be provided, but must be set up by each group. Groups are responsible for returning furniture and equipment to the configuration in which the room was found.
- * Groups and/or individuals using the Meeting Rooms on Fridays and Saturdays must be responsible for disposal of trash on a carry-in/carry-out basis.
- * Groups are responsible for cleaning up after themselves, and for any damage resulting from their use.
- * Lights and equipment must be turned off.
- * Use of the Meeting Rooms when the library is closed requires a meeting with someone on the Library Staff to obtain a key and review alarm procedures.
- * The Kitchen must be cleaned and returned to the condition in which it was found.
- * Smoking is not permitted anywhere on these premises.
- * Failure to abide by any of these rules for meeting room use may be justification for denying the group further use of meeting room.

**CITY OF WILLCOX
ELSIE S. HOGAN COMMUNITY LIBRARY
100 North Curtis Avenue
Willcox, Arizona 85643**

**Telephone: (520) 766-4250
Fax number: (520) 384-0126**

APPLICATION FOR USE OF PUBLIC LIBRARY MEETING ROOM

Please complete this application and return it to: Director, Elsie S. Hogan Community Library, 100 N. Curtis Ave, Willcox, AZ 85643-2150. Phone: (520) 766-4250; Fax: (520) 384-0126.
If the application is incomplete or illegible, it will be returned to you unapproved.

If you already made a tentative telephone reservation and you wish to hold it, you must submit this application on or before _____.

Date(s) of your meeting? _____

What time would you like the room open? _____

What time does your meeting start? _____ What time does it end? _____

Name of your organization? _____

Purpose of your meeting? _____

Estimated attendance. _____ (Maximum capacity for room is 50)

Number of chairs needed _____ Number of tables needed _____

Equipment requested _____

The undersigned, on behalf of the above named organization, hereby indicates that he/she has read and agrees to comply with the policy and procedures governing the use of a Library meeting room. The undersigned assumes all and exclusive responsibility for the preservation of order and the sole responsibility for any **injury** to persons, **damage** to Library facilities or Library or personal property, or **loss** of Library or personal property that may result from this use. Elsie S. Hogan Community Library will not be held responsible for any materials, equipment, or personal belongings left in the building.

Date of application

Signature of applicant

Contact person

Phone

Address

Willcox, Arizona

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: 120
Tab Number: 5
Date: 06-07-2010

Date Submitted:
06-02-10

Date Requested:
06-07-10

Action:
 Resolution
 Ordinance
 Formal
 Other

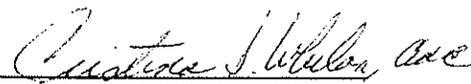
Subject: Resolution No. 2010-56 Ratifying the Action taken Pursuant to Resolution NO. 2010-49 Relating to the Lease Agreement Between the City and Clear Channel Outdoor, Inc.

TO: MAYOR AND COUNCIL

FROM: City Clerk

DISCUSSION: On Mayor and Council previously passed and adopted on May 3, 2010 a previous Resolution numbers 2010-49 related to the Dunlap Oil Company matter. Resolutions are issued consecutive numbers and on May 17th the same number was given to Clear Channel. This Resolution serves to ratify the previous Council action and to renumber the Clear Channel Billboard Lease Agreement as Resolution NO. 2010-56.

RECOMMENDATION: Ratify the Action Taken pursuant to Resolution No. 2010-49 relating to the lease agreement between the City of Willcox ["Landlord"] and Clear Channel Outdoor, Inc., a Delaware Corporation ["Tenant"] For The Purpose of Leasing City Owned Property For A Billboard Space, Authorizing The Mayor To Execute This Resolution And Declaring An Emergency To Exist.

Prepared by: 
Cristina G. Whelan, CMC

Approved by: 
Pat McCourt, City Manager

**CITY OF WILLCOX, COCHISE COUNTY, ARIZONA
RESOLUTION NO: 2010-56**

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA RATIFYING THE ACTION TAKEN PURSUANT TO RESOLUTION 2010-49 RELATING TO THE LEASE AGREEMENT BETWEEN THE CITY OF WILLCOX [“LANDLORD”] AND CLEAR CHANNEL OUTDOOR, INC., A DELAWARE CORPORATION [“TENANT”] FOR THE PURPOSE OF LEASING CITY OWNED PROPERTY FOR A BILLBOARD SPACE, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the Mayor and Council of the City of Willcox shall have control of the finances and property of the corporation pursuant to A.R.S. Section 9-240(A) and Section 9-499.01 et seq.: and

WHEREAS, the **LANDLORD** is authorized pursuant to A.R.S. § 9-241(A) to lease property necessary or proper to carry out the purposes of the corporation, within or without its limits; and

WHEREAS, Mayor and Council considered Resolution 2010-49 regarding the Billboard Lease Agreement and whereas the Mayor and Council had previously passed and adopted a previous Resolution numbered 2010-49 related to the Dunlap Oil Company matter; and

WHEREAS, the City of Willcox assigns consecutively numbered Resolutions for its agenda and this Resolution serves to ratify the previous Council action and to renumber the Clear Channel Billboard Lease Agreement as Resolution No: 2010-56; and

WHEREAS, the Mayor and Council has determined that it is in the best interest of the City and its citizens to ratify and to approve the previous Council Action; and

WHEREAS, Mayor and Council desire to have this item presented to the Willcox City Council at the next Council Meeting on June 7th, 2010; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely ratification of previous Council Action, and that this Resolution be effective immediately upon its passage and adoption.

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally ratifies and approves the previous Council action as stated above and authorizes the Mayor to execute this Resolution.

BE IT FURTHER RESOLVED by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Willcox, Cochise County, Arizona this _____ day of June, 2010

APPROVED/EXECUTED

MAYOR, GERALD W. LINDSEY

ATTEST:

APPROVED AS TO FORM:

City Clerk, Cristina G. Whelan, CMC

City Attorney, Hector M. Figueroa, Esq.

RESOLUTION NO. 2010-56

CITY OF WILLCOX
Request for Council Action

Agenda Item: 13
Tab Number: 6
Date: 6/7/10

Date Submitted:
June 2, 2010

Action:
 Resolution
 Ordinance
 Formal

Subject:
Wastewater
Treatment Plant
Options

To: Honorable Mayor and City Council
From: Ruth Graham, Director of Finance

Discussion:

The Wastewater Treatment Plant is inadequate to meet the needs of the citizens of the City of Willcox. The City has received Notices of Violation from the Arizona Department of Environmental Quality (ADEQ) and changes to the plant are required. The Mayor and Council directed the staff to work with TetraTech to analyze the costs, benefits and detriments of various replacement sewer plant options, and TetraTech has presented its findings. Six (6) options were analyzed, and three (3) options have been selected for final review. The following information analyzes the costs of the options, including operating and maintenance costs (O & M) as well as debt service, and shows the monthly cost impact for customers of the City. The City anticipates receiving loan and grant funds from USDA-RD (rural development) to finance the construction of the plant. The City will be required to provide the operating and maintenance costs from current operations.

Recommendation:

Selection of the Wastewater Treatment Plant option for the City.

Fiscal Impact: The attached memo and Spread sheet show a range of costs to the City and therefore to the consumers. All options anticipate an increase in rates.

Prepared By:

Approved by:


Ruth Graham, Finance Director


Patrick McCourt, City Manager

Memorandum

To: Mayor & Council
CC: Public Works Director, Finance Director
From: City Manager
Date: June 2, 2010
Re: Possible increase in rates at WWTP due to upgrades

At the workshop on May 10th there were five different options discussed on how to address the current problems at the City of Willcox Waste Water Treatment Plant (WWTP). The current WWTP is not meeting the standards for effluent.

- 1) Upgrade the existing Lagoon system (LS). This system is the lowest cost Operation & Maintenance (O&M) and Capital option. It is also the option that has not worked to correct the problems from 2000, and provides the least flexibility in dealing with future growth.
- 2) Single Batch Activated Sludge (SBAS). This system is in use at Apache Junction. It has the second lowest O&M and Capital cost. The technology is relatively new, but is in use in many communities. It has the potential for expansion on the existing site.
- 3) Single Batch Reactor (SBR). This system is the highest cost O&M and Capital Cost. The technology is relatively new, but is in wide use. It has the potential for easy expansion on the existing site.
- 4) Package Plant (PP). This system is the second highest O&M and Capital Cost. Usually used for remote difficult situations (like specialized pretreatment programs). Very mechanical, very easy to expand on site.
- 5) Oxidation Ditch (OD). This is an older technology, widely used world wide since the 1950's. Extremely reliable. This is the middle priced unit for O&M and Capital cost. Easy to expand on site.

All systems can be upgraded to produce a higher quality effluent by addition of a sand filter prior to release of the effluent for reuse. (That is once the effluent achieves the minimum standards for release – which the current system is not producing).

In order to attempt to estimate the impact on sewer rates it is necessary to make some assumptions.

- 1) There is a minimum level of operating cost that must be incurred at the WWTP. That minimum level is the level for operation of the LS system (which is the current system). The cost increases are therefore the O&M of the new system less the O&M of the LS system.
- 2) The average sewer flows are relatively constant year round and can be determined by using the water flows in the winter months (to reduce the impact of irrigation) of December, January, and February. Using the latest information the one month average flow into the Sewer plant is 106,554 gallons.
- 3) The number of active sewer accounts fluctuates slightly each month. It remains around 1374 customers. The amount used by any customer varies, i.e. a restaurant or motel uses more than a residential user.
- 4) The sewer rates are based upon two factors; a fixed rate based upon water meter size, and a variable rate based upon the average flows as determined annually using the three winter months of water consumption. It is assumed all costs will be put on the **variable rate** component.
- 5) There will be some amount of Grant money available. The grant assumes the City will have to raise some amount of money from other sources for the City's portion of the capital investment. For the purposes of this analysis it is assumed that **\$4,000,000** of capital will be raised by the City any capital amounts over that will be grant money.
- 6) Each **\$1,000,000** of capital cost is estimated to require **\$60,000** of annual debt payments. This can vary depending upon the interest rate, term of loan, and credit status of the City. In this case due to the \$4,000,000 from above, this means an annual debt service of \$240,000/year.

In order to estimate the new cost per account per month the first step is to estimate the new additional O& M. this information is from the Tetra Tech Handout. The O&M costs are the same in both Scenario 1 & Scenario 2 below.

LS = \$307,651/year (actually this increases after 6 years if the LS system is chosen). Since this is the base amount the increase = \$0 O&M.

SBAS = \$374,064 (less the base \$307,651 = \$66,413 new annual O&M costs.

SBR = \$436,340 (less base \$307,651 = \$128,689 new annual O&M costs.

PP = \$431,963 (less base \$307,651 = \$124,312 new annual O&M costs.

OD = \$406,538 (less base \$307,651 = \$98,887 new annual O&M costs.

Scenario 1

(see attached Spreadsheet for cost estimate per month by account type)

The Capital costs are also based upon the Tetra Tech estimates. Since all of the options the Capital costs exceed \$4,000,000 and amounts over \$4,000,000 are assumed to be paid from the grant money all of the options have an increased annual operating cost of \$240,000 for the next thirty (30) years (\$60,000 X 4).

Estimated new annual operating costs divided by 12 months gives the monthly cost.

LS $\$240,000/12 = \$20,000$ (See # 1 on spreadsheet – Scenario 1.)

SBAS $\$240,000 + \$66,413 = \$306,413/12 = \$25,534.42$. (See # 2 on spreadsheet – Scenario 1.)

SBR $\$240,000 + \$128,689 = \$368,689/12 = \$30,724.08$

PP $\$240,000 + \$124,312 = \$364,312/12 = \$30,359.33$

OD $\$240,000 + \$98,887 = \$338,887/12 = \$28,240.58$ (See # 3 on spreadsheet – Scenario 1.)

Scenario 2

(see attached Spreadsheet for cost estimate per month by account type)

If I assume the maximum grant is given (The maximum grant is 75% of the capital costs), then the capital costs become;

LS $\$4,311,192 \text{ times } 25\% = \$1,077,798/1,000,000 \text{ times } \$60,000 = \$64,668$

SBAS \$5,614,053 times 25% = \$1,403,513/1,000,000 times \$60,000 = \$84,211

SBR \$6,643,406 times 25% = \$1,660,852/1,000,000 times \$60,000 = \$99,651

PP \$6,496,533 times 25% = \$1,624,133/1,000,000 times \$60,000 = \$97,448

OD \$7,202,516 times 25% = \$1,800,629/1,000,000 times \$60,000 = \$108,037

Total O&M and Capital (O&M stay the same as Scenario 1)

LS \$64,668 new costs / 12 months = \$5,389/month. (See # 4 on spreadsheet - Scenario 2.)

SBAS \$84,211+\$66,413 = \$150,624 new costs/12 months = \$12,552/month. (See # 5 on spreadsheet – Scenario 2.)

SBR \$99,651 + \$128,689 = \$ 228,340 new costs/12 months = \$19,028/month

PP \$97,448 + \$124,312 = \$221,760 new costs/12 months = \$18,480/month

OD \$108,037 + \$98,887 = \$206,924 new costs/12 months = \$17,244/month (See # 6 on spreadsheet – Scenario 2.)

City of Willcox
Sewer Rate Summary
For the month of April 2010

Estimated Average Sewer Increase Based on Meter Size

Customer Type	Size	Winter Customers	3 month Winter Usage	Average Monthly Usage per Cust.	3 Month Winter Revenue	Monthly Avg per Cust.	Scenario 1			Scenario 2		
							O&M + \$4M Debt Service			O&M + 25% Debt Service		
							LS ¹	SBAS ²	OD ³	LS ⁴	SBAS ⁵	OD ⁶
Additional Cost							\$20,000.00	\$25,534.42	\$28,240.58	\$5,389.00	\$12,552.00	\$17,244.00
Residential	3/4"	1,129	17,202,700	5,079	\$104,636	\$ 30.89	\$10.84	\$13.84	\$15.31	\$2.92	\$6.81	\$9.35
Residential	1"	1	2,100	700	\$82	\$ 27.33	\$9.59	\$12.25	\$4.00	\$2.59	\$6.02	\$8.27
Residential	Multi	1	273,300	91,100	\$790	\$ 263.33	\$92.43	\$118.00	\$130.51	\$24.90	\$58.01	\$79.69
Commercial	3/4"	183	5,171,800	9,420	\$28,267	\$ 51.49	\$18.07	\$23.07	\$25.52	\$4.87	\$11.34	\$15.58
Commercial	1"	9	677,400	25,089	\$2,735	\$ 101.30	\$35.55	\$45.39	\$50.20	\$9.58	\$22.31	\$30.65
Commercial	1 1/2"	9	384,000	14,222	\$2,405	\$ 89.07	\$31.26	\$39.92	\$44.15	\$8.42	\$19.62	\$26.96
Commercial	2"	37	5,414,100	48,776	\$21,602	\$ 194.61	\$68.31	\$87.21	\$96.45	\$18.41	\$42.87	\$58.89
Commercial	3"	2	1,244,400	207,400	\$4,155	\$ 892.50	\$243.06	\$310.32	\$343.21	\$65.49	\$152.55	\$209.57
Commercial	4"	3	1,596,600	177,400	\$6,272	\$ 696.89	\$244.60	\$312.29	\$345.39	\$65.91	\$153.51	\$210.90
Total		1,374	31,966,400		\$170,944							

Scenario 1: Operating and Maintenance Costs plus debt service for \$4 million at 4 1/8%
 LS¹ Lagoon System
 SBAS² Single Batch Activated Sludge
 OD³ Oxidation Ditch

Scenario 2: Operating and Maintenance Costs plus debt service for 25% of the estimated cost at 4 1/8% and 75% provided by USDA Grant.
 LS⁴ Lagoon System
 SBAS⁵ Single Batch Activated Sludge
 OD⁶ Oxidation Ditch

Monthly increase calculation - Additional Cost per month, multiplied by the proportion of the revenue due to the specified meter size, divided by the number of customers using the specified meter. OR $20,000 \times (\$104,636 / \$170,944) / 1,129$

Wastewater treatment plant options are outlined in City Manager Pat McCourt's Memorandum of May 17, 2010, a copy of which is attached. The Lagoon System, the Single Batch Activated Sludge System, and the Oxidation Ditch options are outlined here by meter size and customer type.

CITY OF WILLCOX
Request for Council Action

Agenda Item: 14
Tab Number: 7
Date: 06-07-2010

Date Submitted:
May 24, 2010
Date Requested:
June 7, 2010

Action:
 Resolution
 Ordinance
 Formal
 Other

Subject:
Willcox Elks Lodge
requests fees be
waived for the
swimming pool.

To: Honorable Mayor and City Council

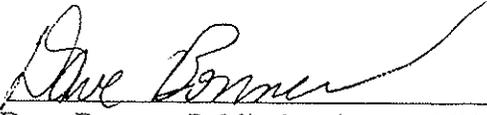
From: Dave Bonner, Director Public Services & Works

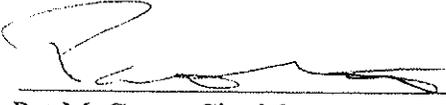
Discussion: The Willcox Elks Lodge is requesting that the fees be waived for the use of the swimming pool. Willcox Elks Lodge would like to hold their Annual 4th of July Swim Meet at the swimming pool. They will begin setting up at 7:00 AM, Sunday, July 4, 2010, and run from 1:00 PM through 6:00 PM on Sunday, July 4, 2010.

Recommendation: Staff recommends that the Mayor and Council consider waiving fees for this event.

Fiscal Impact: \$365.00

Prepared By: 
Dawn Adame, Public Services and Works

Approved By: 
Dave Bonner, Public Services and Works Director

Approved By: 
Pat McCourt, City Manager

RECEIVED 01 2010

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA
Facilities Use Agreement

This Agreement made this 24 day of May, 2010,

between BKS (Willcox) ("PARTICIPANT")
and the City of Willcox through the City Public Works Department ("CITY") for the
use of the City owned facilities by a private organization.

ARTICLE I --- TERM OF AGREEMENT:

The term of this agreement shall be 4 July, 2010, through
4 July 2010, unless earlier terminated by either party.

Please note starting time and ending time TO INCLUDE set up and tear down.

1300 start time 1800 end time

Notice of termination shall be provided at least ninety (90) days prior to the effective
termination date.

ARTICLE II --- CITY OWNED FACILITIES:

This agreement shall be for the use of KP pool
(facility and area/s)
to be used for Annual BKS Swim Meet
(type of event)
to be used by public
(example: public, family, friends)

PARTICIPANT wishes to use certain City owned facilities and the CITY is willing to
permit the PARTICIPANT the primary use of the facilities under the conditions indicated
in this Agreement and any Exhibit attached hereto during the term of this Agreement.

CITY agrees that it will perform the duties as outlined in Attachment "A".

PARTICIPANT agrees it will perform the duties as outlined in Attachment(s) "B".

PARTICIPANT agrees to pay the fees as are listed on Attachment "C".

ARTICLE III --- INDEMNIFICATION AND INSURANCE

PARTICIPANT agrees to secure liability Insurance to cover the term of this
agreement in not less than the amount of one million dollars (\$1,000,000.00)
which names the City as additionally insured.

Original to OH 6-1-10 DLA G/S.
Approved copy mailed to participant 6/2/10.

Each party agrees to be responsible for the conduct of its operations and performance of contract obligations and for any accidents or injuries to persons or property arising out of acts or omissions by its officers, agents or employees acting in the course or scope of their participation while performing duties undertaken pursuant to this Agreement. The PARTICIPANT agrees to hold harmless the City, its officers, employees and agents from all losses, suits, damages or costs of any kind, including reasonable attorney's fees, defense costs and expenses arising from PARTICIPANT performance pursuant to this Agreement. The PARTICIPANT shall provide the CITY with current insurance certificates or the evidence of coverage as appropriate.

The CITY agrees to hold harmless the PARTICIPANT, its officers, employees and agents from all losses, suits, damages or costs of any kind, including reasonable attorney's fees, defense costs and expense arising from the CITY performance pursuant to this Agreement.

ARTICLE IV --- MISC. PROVISIONS:

CANCELLATION FOR CONFLICT OF INTEREST

This Agreement may be canceled pursuant to A.R.S. § 38-511, the pertinent provisions of which are fully incorporated herein by reference.

NONASSIGNABILITY

Neither party may assign a duty or responsibility under this Agreement without the prior written consent of the other party.

RIGHTS/OBLIGATIONS OF PARTIES ONLY

The terms of this Agreement are intended only to define the respective rights and obligations of the parties. Nothing expressed herein shall create any rights or duties in favor of any potential third party beneficiary or other person, agency or organization.

NOTICE REQUIREMENTS

All notices, requests for payment, or other correspondence between the parties regarding this Agreement shall be mailed or delivered to the respective party as follows:

If to the CITY:

City of Willcox, Public Services and Works
250 N. Railroad Avenue
Willcox, Arizona 85643

If to the PARTICIPANT:

Name: Gary A. Charak

Organization: Willcox Elks Lodge #2131

Contact Phone Number(s): (520) 384-2131 MY cell
(520) 253-9273

Mailing Address: POB 940 Willcox AZ 85644
City State Zip Code

SEVERABILITY

Each provision of this Agreement stands alone and, if any provision of this Agreement is held, in whole or in part, to be unenforceable for any reason, the remainder of the provision and of the entire Agreement will be severable and remains in effect.

ENTIRE AGREEMENT

This document constitutes the entire Agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Agreement may be modified, amended or extended only by a written amendment approved by the parties.

GOVERNING LAW

This Agreement shall be construed under the laws of the State of Arizona and shall incorporate, by reference, all laws governing mandatory contract provisions required by statute or executive order.

IN WITNESS WHEREOF, the Parties hereby enter into this Agreement as of the day and year written above.

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

[Signature]
Signature

6-2-10
Date

Oscar Hudson
Printed Name

Facilities & Parks Supervisor
Title

PARTICIPANT

[Signature]
Signature

5-24-10
Date

Gary Charak
Printed Name

Chairperson
Title

Attachment "A"
Keiller Park

The City of Willcox Facilities & Maintenance section of Public Services & Works will perform the following:

<p>Field # 1</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Drag and Dress</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Set Bases at <u>45' 60' 90'</u></p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Set Pitcher's plate at _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Construct pitcher's mound with the following specification: _____</p> <hr/> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Discontinue Irrigation on _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Provide Concession Stand Key, Hy-CoM19</p> <p>Field # 2</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Drag and Dress</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Set Bases at _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Set Pitcher's plate at _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Construct pitcher's mound with the following specification: _____</p> <hr/> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Discontinue Irrigation on _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Provide Concession Stand Key, Ace M1</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Provide Announcer Stand Key, Kwikset5</p>	<p>Field # 3</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Drag and Dress</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Set Bases at _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Set Pitcher's plate at _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Construct pitcher's mound with the following specification: _____</p> <hr/> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Discontinue Irrigation on _____</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Provide Concession Stand Key, C0184-<u>ACE</u></p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Provide Announcer Booth Key, Kwikset 5</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Provide Light Key, Master-0702 <u>ACE</u></p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Provide Shed Key, M1 (Ace)</p> <hr/> <p><u>Pool</u></p> <p><input checked="" type="checkbox"/> Provide lifeguards (6)</p>
--	--

Unless otherwise specified trash cans are emptied, restrooms are cleaned and restocked on a daily basis during weekdays.

Arrangements for additional tasks may be requested by speaking with the Facilities and Maintenance Supervisor or the Public Services & Works Director.

Special Arrangements:

Elks will need access @ 7am to set up tables, bkg, etc.

Participant would prefer to NOT have key to pool.

The "Participant" is responsible for establishing control of the area(s) requested for use. The City of Willcox is not responsible for loss due to acts of God or vandalism or by actions of others not affiliated with the City of Willcox.

Attachment "B" Keiller Park Checklist

The Participant agrees to perform the following tasks:

<p>General</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Obtain appropriate keys one business day prior to the event, by 3:30PM.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Return keys within two (2) business days of event conclusion.</p> <p><input type="checkbox"/> <input type="checkbox"/> Learn how to use ball field lights.</p> <p><input type="checkbox"/> <input type="checkbox"/> Learn how to use infield irrigation.</p> <p>Prepare Ball Fields</p> <p><input type="checkbox"/> <input type="checkbox"/> Place Chalk Lines</p> <p><input type="checkbox"/> <input type="checkbox"/> Verify Base Placement</p> <p>Vendor(s) <i>NO</i></p> <p><input type="checkbox"/> <input type="checkbox"/> Request to waive requirement for all vendors to have individual permits.</p>	<p>Cleaning</p> <p>Cleaning consists of removing all litter,, sweeping and mopping concession stand and tying up garbage bags and placing them in the dumpster. All areas should be left in the same or better condition as received.</p> <p><input type="checkbox"/> <input type="checkbox"/> Clean Restrooms</p> <p><input type="checkbox"/> <input type="checkbox"/> Clean Dugouts</p> <p><input type="checkbox"/> <input type="checkbox"/> Clean Ball Field Concession Stand</p> <p><input type="checkbox"/> <input type="checkbox"/> Fill in holes in batter's box</p> <p><input type="checkbox"/> <input type="checkbox"/> Fill in holes at all bases</p> <p><input type="checkbox"/> <input type="checkbox"/> Fill in holes in front of pitcher's mound</p> <p>If Serving Alcohol <i>NO</i></p> <p><input type="checkbox"/> <input type="checkbox"/> Obtain Special Event Liquor License with the Arizona Department of Liquor.</p> <p><input type="checkbox"/> <input type="checkbox"/> Provide Liquor Liability Insurance in the amount of \$1,000,000 naming the City of Willcox as additionally insured.</p> <p><input type="checkbox"/> <input type="checkbox"/> Provide Security approved by Willcox Public Safety Department.</p>
--	--

- Participant is responsible for notifying Parks & Facilities Maintenance of items that need special attention or repair.
- All equipment or personal items belonging to the "Participant" shall be removed by 8:00 a.m. on the day following the event.
- Premises shall be left clean and in good repair or deposit will be surrendered. Others charges may be assessed if significant damage occurs.
- City of Willcox officials reserve the right to enter / inspect the premises during the event.
- The "Participant" is responsible for establishing control of the area(s) requested for use. The City of Willcox is not responsible for loss due to acts of God or vandalism or by actions of others not affiliated with the City of Willcox.

Contact information:

Public Services & Works -----766-4213
 Facilities & Park Maintenance-----507-0442
 On-call -----766-2201

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item 15
Tab Number 8
Date: 06/07/10

<u>Date Submitted:</u>	<u>Action:</u>	<u>Subject:</u>
<u>June 1, 2010</u>	<u><input checked="" type="checkbox"/> Resolution</u> <u><input type="checkbox"/> Ordinance</u> <u><input type="checkbox"/> Formal</u>	<u>HEALTH NET INSURANCE CONTRACT FOR THE PERIOD FROM 7/1/10 THROUGH 6/30/11</u>

TO: MAYOR AND COUNCIL
FROM: Finance Director Ruth Graham

DISCUSSION:

Staff recommends a contract with Health Net to secure medical insurance benefits for its employees for the year beginning July 1, 2010 and ending on June 30, 2011. Health Net has been the City's insurance carrier since July 1, 2007. The initial FY11 renewal rates quoted by Health Net reflected a 43% increase in premium costs over the FY10 rates. Our insurance agents researched alternatives and presented a number of alternatives. The proposed Health Net HMO and PPO policies and Health Reimbursement Arrangements that staff is recommending will allow the City to save money, and employees will have continued coverage without additional out of pocket expense. The City's cost for monthly premiums will be reduced from last year; however, one of the cost saving measures is a higher deductible. The deductible will be increased from \$2,500 per person, for up to two members per family, to \$5,000 per person, for up to two members per family. The plan will continue to provide a good range of benefits.

The City's current annual premium totals \$368,270. If the Mayor and Council adopt the recommended plan for FY11, the annual premiums are estimated to be \$315,323, a savings of \$52,947. However, with the higher deductible amounts, if the employees' share of out of pocket expense is held at \$500, the City will have additional exposure for the costs of the Health Reimbursement Arrangement. For FY09-10, the City maintained a reserve account of \$30,780. The reserve for a potential reimbursement of \$4,500 per person, for up to two family members per year, is projected at \$71,280, an increase of \$40,500. Any amounts in the reserve account that are not used remain as the City's funds. Overall, the City will save an estimated \$12,447 with the proposed Health Net HMO/PPO plans.

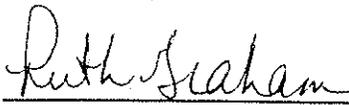
A copy of the plan summary and pricing information is attached.

RECOMMENDATION:

To enter into a Contract with Health Net for the City of Willcox health insurance for the Fiscal Year 2010-2011 at an anticipated cost of \$315,323, and to include in the City Budget an allowance for a reserve account totaling \$71,280.

FISCAL IMPACT: \$315,323 for health insurance premiums, and \$71,280 for a reserve account.

Submitted by:



Ruth Graham, Finance Director



Pat McCourt, City Manager

**CITY OF WILLCOX, COCHISE COUNTY, ARIZONA
RESOLUTION NO: 2010-57**

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA APPROVING AND ADOPTING THE AGREEMENT BETWEEN THE CITY OF WILLCOX ["CITY"] AND HEALTH NET OF ARIZONA, INC. ["HN"] FOR THE FY2010-2011 RENEWAL OF THE EMPLOYEE INSURANCE PLAN AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the City of Willcox Common Council shall have control of the finances and property of the corporation pursuant to A.R.S. § 9-240 et seq.; and

WHEREAS, the CITY provides Health Insurance Plan for its employees and contracts with a Health Insurance Provider for that purpose; and

WHEREAS, the CITY discussed, considered and approved the Health Insurance Plan with Health Net ("HN") for the last fiscal year and desires to have staff present the formal renewal contract documents to Mayor and Council action; and

WHEREAS, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY, its employees and the citizens of the CITY to renew the Agreement with HN; and

WHEREAS, the CITY and the HN desire to have this item presented at the Council Meeting on June 7th, 2010 for consideration and approval of the Agreement for the Contract period of July 1, 2010 to June 30, 2011; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely implementation of Health Insurance Plan Agreement, and that this Resolution be effective immediately upon its passage and adoption.

BE IT RESOLVED by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally approves and adopts the HN Agreement, authorizes the Mayor to execute this Resolution and the Agreement and directs City staff to take necessary action to carry out the terms of the Agreement.

BE IT FURTHER RESOLVED by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Willcox,
Cochise County, Arizona this _____ day of June, 2010

APPROVED/EXECUTED

MAYOR, GERALD W. LINDSEY

ATTEST:

APPROVED AS TO FORM:

City Clerk, Cristina G. Whelan, CMC

City Attorney, Hector M. Figueroa

RESOLUTION NO: 2010-57



benefitintelligence inc.

A Member of one of United Benefit Groups

June 7th, 2010

Renewal Process for City of Willcox Employee Benefits

Health Insurance;

HealthNet; Current carrier sent out renewal with a 43% rate increase, Benefit Intelligence renegotiated increase on the City's behalf, HealthNet came back with a new renewal offer of trend, 12.09% rate increase.

Aetna; Declined to bid

Blue Cross Blue Shield; Submitted bid

Cigna; Submitted bid

Humana; Submitted bid

Principal Mutual; to receive bid each employee must fill out Health Questionnaire.

StarMark; Declined to bid

United Health Care; Submitted bid

Western Mutual; Submitted "self insured" bid

Voluntary Benefits:

Dental Insurance;

United Health Care; Current plan has lower reimbursement schedule, could offer dual option to employees. This benefit is Voluntary paid for by the employee.

Assurant; Submitted bid

Delta Dental; Submitted bid

Met Life; Submitted bid

Premier Access; Submitted bid

Vision Insurance;

HealthNet; offers vision with health plan

VSP; Currently offer plan

EyeMed; Submitted bid

Group Life Insurance;

Met Life; current carrier

No other competitive bids from other carriers

Health Insurance Proposal

Basic Benefit Summary

FY11 Budget Year

	Current	Renewal	Option 1	Option 2
	Health Net HMO 2500	Health Net HMO 2500	Health Net HMO 5000	BC/BS PPO 5000
Employee 22	\$326.83	\$361.34	\$279.84	\$261.55
Employee/Spouse 9	\$719.02	\$795.15	\$615.65	\$591.26
Employee/Child 19	\$620.97	\$686.72	\$531.69	\$534.95
Family 5	\$1,045.86	\$1,156.60	\$895.50	\$844.65
Monthly Total	\$30,689.17	\$33,936.51	\$26,276.94	\$25,902.74
Annual Total	\$368,270.04	\$407,238.12	\$315,323.28	\$310,832.88
Benefits	Health Net	Health Net	Health Net	BC/BS
Annual/Lifetime Max	HMO 2500	HMO 2500	HMO 5000	PPO 5000
	Unlimited	Unlimited	Unlimited	\$5,000,000
<i>Employee out of pocket deductible *</i>	\$500	\$500	\$500	\$500
<i>Family out of pocket deductible *</i>	\$1,000	\$1,000	\$1,000	\$1,000
Plan Deductible				
<i>Individual **</i>	\$2,500	\$2,500	\$5,000	\$5,000
<i>Family **</i>	\$5,000	\$5,000	\$10,000	\$10,000
Primary / Specialist Co-pay				
<i>Primary Care Physician</i>	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$25 co-pay
<i>Specialist</i>	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$40 co-pay
Preventive Care				
<i>Primary Care Physician</i>	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$25 co-pay
<i>Specialist</i>	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay
Emergency/Urgent Care				
<i>Emergency Room</i>	\$250 per visit	\$250 per visit	\$250 per visit	\$200 + Deduct
<i>Urgent Care</i>	\$50 per visit	\$50 per visit	\$50 per visit	\$75 co-pay
Hospital Services				
<i>Inpatient Hospital</i>	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible
<i>Outpatient Hos/Surg</i>	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible
Lab & X-Ray Services				
<i>Physicians office</i>	No Charge	No Charge	No Charge	No Charge
<i>Hospital</i>	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible
Imaging & Testing				
<i>Physicians office</i>	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible
<i>Hospital</i>	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible
RX Benefits				
<i>Level one</i>	\$15 co-pay	\$10 co-pay	\$10 co-pay	\$15 copay
<i>Level two</i>	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$35 co-pay
<i>Level three</i>	\$50 co-pay	\$45 co-pay	\$45 co-pay	\$65 co-pay
<i>Level four</i>		\$60 co-pay	\$60 co-pay	\$120 co-pay

* even though plan deductible is higher employee is only responsible for \$500 for Individual or \$1,000 employee plus 1

** employee only responsible for their out of pocket amount, city pays the remaining deductible through HRA

City of Willcox Health Benefit Options 2010/2011

Current	Health Net		Health Net (Renewal)		BC/BS		Humana		Cigna		UHC		
	HMO 2500	PPO 2500	HMO 2500	PPO 2500	Select 20 Plan	PPO 2500	PPO 2500	PPO 2500	HMO Plan E	AZ OAPLUS	HMO Plan E	A7V	A7Z
Employee 22	\$326.83	\$335.51	\$366.34	\$375.77	\$411.05	\$336.85	\$503.79	\$443.60	\$430.37	\$441.24	\$430.37	\$420.83	
Employee/Spouse 9	\$719.02	\$738.12	\$805.95	\$826.70	\$863.21	\$707.39	\$1,057.95	\$1,114.63	\$975.91	\$970.73	\$946.81	\$952.82	
Employee/Child 19	\$620.97	\$637.47	\$696.05	\$713.96	\$781.00	\$640.02	\$1,007.57	\$842.83	\$838.36	\$838.36	\$817.66	\$799.54	
Family 5	\$1,045.86	\$1,073.65	\$1,172.31	\$1,202.48	\$1,233.15	\$1,010.55	\$1,612.12	\$1,419.51	\$1,411.97	\$1,411.97	\$1,377.19	\$1,346.67	
Monthly Total	\$30,689.17		\$33,936.51										
Annual Total	\$388,270.04		\$407,238										
Benefits													
Annual/Lifetime Max	HMO 2500 Unlimited	PPO 2500 \$5,000,000	HMO 2500 Unlimited	PPO 2500 \$5,000,000	Blue Select Unlimited	PPO 2500 \$5,000,000	Blue Select Unlimited	PPO 2500 \$5,000,000	HMO Plan E Unlimited	AZ OAPLUS \$5,000,000	HMO Plan E Unlimited	A7V \$5,000,000	A7Z \$5,000,000
Co-Ins or OOP max	N/A	100% / 0%	N/A	100% / 0	N/A	100% / 0	N/A	100% / 0	N/A	100% / 0	100% / 0	100% / 0	80% / 20%
Deductible/Individual Family	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,000	\$3,000	\$2,500	\$2,500	\$6,000/18,000
Co-pay	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$9,000	\$7,500	\$7,500	\$1,500
Primary Care Physician	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$20 co-pay	\$25 co-pay	\$30 co-pay	\$40 co-pay	\$25 co-pay	\$40 copay	\$25 co-pay	\$50 co-pay	\$30 co-pay
Specialist	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$40 co-pay	\$50 co-pay	\$40 copay	\$50 co-pay	\$50 co-pay	\$60 co-pay
Preventive Care	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$20 co-pay	\$25 co-pay	\$30 co-pay	\$40 co-pay	\$25 co-pay	\$40 copay	\$25 co-pay	\$50 co-pay	\$30 co-pay
Primary Care Physician	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$40 co-pay	\$50 co-pay	\$40 copay	\$50 co-pay	\$50 co-pay	\$60 co-pay
Specialist	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$40 co-pay	\$50 co-pay	\$40 copay	\$50 co-pay	\$50 co-pay	\$60 co-pay
Emergency/Urgent Care	\$250 per visit	\$250 per visit	\$250 per visit	\$250 per visit	\$150 per visit	\$200 + Deduct	\$200 + Deduct	\$200 + Deduct	\$200 co-pay	\$150 co-pay	\$250 co-pay	\$250 co-pay	\$250 co-pay
Emergency Room	\$50 per visit	\$50 per visit	\$50 per visit	\$50 per visit	\$50 per visit	\$50 per visit	\$50 per visit	\$75 co-pay	\$100 co-pay	\$50 co-pay	\$75 co-pay	\$75 co-pay	\$75 co-pay
Hospital Services	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$250 co-pay +	\$250 co-pay +	\$250 co-pay +	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Inpatient Hospital	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay +	\$100 co-pay +	\$100 co-pay +	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Outpatient Hos/Surg	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	Co-pay + Ded	Co-pay + Ded	Co-pay + Ded	Co-pay + Ded	Co-pay/Ded/Co
Lab & X-Ray Services	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay	\$100 co-pay	\$100 co-pay	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Physicians office	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay	\$100 co-pay	\$100 co-pay	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Hospital	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay	\$100 co-pay	\$100 co-pay	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Physicians office	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay	\$100 co-pay	\$100 co-pay	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Imaging & Testing	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay	\$100 co-pay	\$100 co-pay	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Hospital	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay	\$100 co-pay	\$100 co-pay	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
RX Benefits	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	\$100 co-pay	\$100 co-pay	\$100 co-pay	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Sub Deductible	Deduct / Co-Ins
Level one	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$10 co-pay	\$10 co-pay	\$10 co-pay	\$15 co-pay	\$20 co-pay	\$15 co-pay	\$15 co-pay	\$15 co-pay	\$15 co-pay
Level two	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$30 co-pay	\$25 co-pay	\$25 co-pay	\$25 co-pay	\$35 co-pay	\$40 co-pay	\$30 co-pay	\$35 co-pay	\$35 co-pay	\$35 co-pay
Level three	\$50 co-pay	\$50 co-pay	\$50 co-pay	\$50 co-pay	\$50 co-pay	\$50 co-pay	\$50 co-pay	\$65 co-pay	\$60 co-pay	\$50 co-pay	\$65 co-pay	\$65 co-pay	\$65 co-pay
Level four	\$50 co-pay	\$50 co-pay	\$50 co-pay	\$50 co-pay	\$80 co-pay	\$80 co-pay	\$80 co-pay	\$120 co-pay	\$80 co-pay	\$20%	\$100 co-pay	\$100 co-pay	\$100 co-pay

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item 16
Tab Number 9.
Date: 6/7/10

<u>Date Submitted:</u>	<u>Action:</u>	<u>Subject:</u>
June 1, 2010	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal	ESG (EMPLOYEE SERVICES GROUP) CONTRACT FY 2010-2011

TO: MAYOR AND COUNCIL
FROM: Finance Director Ruth Graham

DISCUSSION:

Staff recommends entering into a with ESG, the Employee Services Group, to secure its services as administrator of the employee benefit plans offered by the City of Willcox for the 2010-2011 fiscal year, including a Health Reimbursement Arrangement (HRA), Flexible Spending Account (FSA) and COBRA administration.

The City established a Health Reimbursement Arrangement plan in FY09-10 to protect its employees from high deductible costs. Prior to FY09-10, the City's HMO plan did not have a requirement for an out-of-pocket deductible. For FY09-10, the plan called for a \$2,500 deductible. The City elected to hold the employee responsible for the first \$500, and reimburse for costs up to the full deductible if such medical costs were incurred. This year the out of pocket deductible costs will increase again to \$5,000, and that will increase the reserve requirements for the City's reserve account. To maintain the employee out of pocket costs to the first \$500 per person, up to a maximum of \$1,000 per family, the City will reimburse employees for deductible expenses up to \$4,500 per person, up to a maximum of two persons per family, if claims are made against the deductible. The Flexible Spending Account is funded with employee contributions. Each employee can elect an amount to set aside pre-tax to be used for medical expenses including deductibles, dental, eye, chiropractic, prescription drugs or drug co-payments, or other types of allowable expenses under IRS regulations. The COBRA administration plan will be an efficient way for the City to meet its COBRA requirements under regulations that change rapidly.

As stated on the bid by ESG that the Council approved on April 5, 2010, ESG charges the City \$6.50 per employee per month for administration of the HRA plan, \$6.60 per employee per month for those employees participating in the voluntary FSA plan, and \$1.50 per month per employee for the administration of the COBRA requirements. The prices are the same as they were for FY09-10.

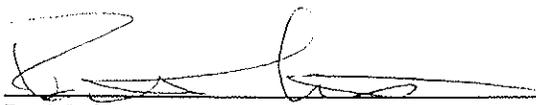
RECOMMENDATION:

To enter into a Contract with ESG, the Employee Services Group, to secure its services as administrator of the employee benefit plans offered by the City of Willcox for the 2010-2011 fiscal year.

FISCAL IMPACT: Estimated employee benefit plan administration costs of \$9,294.

Submitted by:


Ruth Graham


Pat McCourt, City Manager

**CITY OF WILLCOX, COCHISE COUNTY, ARIZONA
RESOLUTION NO: 2010-58**

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA APPROVING AND ADOPTING THE AGREEMENT BETWEEN THE CITY OF WILLCOX ["CITY"] AND EMPLOYEE SOLUTIONS GROUP ["ESG"] FOR SERVICES TO ACT AS ADMINISTRATOR OF EMPLOYEE BENEFIT PLANS AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the City of Willcox Common Council shall have control of the finances and property of the corporation pursuant to A.R.S. § 9-240 et seq.; and

WHEREAS, the CITY provides Health Insurance Plan for its employees and contracts with a Health Insurance Provider for that purpose; and

WHEREAS, the CITY has approved and adopted the Health Insurance Plan with Health Net, approved the ESG bid on April 5, 2010, and desires city staff to present the formal ESG contract documents to Mayor and Council for final approval and adoption; and

WHEREAS, ESG proposes to provide employee benefit package in the form of a Health Reimbursement Agreement Plan ["HRA"]; an expanded Flexible Spending Account Plan ["FSA"]; and third party administration of COBRA Plan; and

WHEREAS, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY, its employees and the citizens of the CITY to enter into the Agreement with ESG as presented; and

WHEREAS, the CITY and the ESG desire to have this item presented at the Council Meeting on June 7th, 2010 for consideration and approval of the Agreement for the Contract period of July 1, 2010 to June 30, 2011; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely implementation of the ESG Plan Agreement, and that this Resolution be effective immediately upon its passage and adoption.

BE IT RESOLVED by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally approves and adopts the ESG Agreement for HRA, FSA and COBRA benefits, authorizes the Mayor to execute this Resolution and the Agreement and directs City staff to take necessary action to carry out the terms of the Agreement.

BE IT FURTHER RESOLVED by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Willcox, Cochise County, Arizona this _____ day of June, 2010

APPROVED/EXECUTED

MAYOR,

ATTEST:

APPROVED AS TO FORM:

City Clerk, Cristina G. Whelan, CMC

City Attorney, Hector M. Figueroa

RESOLUTION NO: 2010-58

RESOLUTION NO: 2010-29

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA APPROVING AND AWARDDING 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.

WHEREAS, the City of Willcox Common Council shall have control of the finances and property of the corporation pursuant to A.R.S. § 9-240 *et seq.*; and

WHEREAS, the City of Willcox provides a Health Insurance Plan for its employees and contracts with a Health Insurance Provider for that purpose; and

WHEREAS, the City of Willcox published a Request for Proposals ("RFP") to solicit and approve a provider of Selected Services Administration for Health Insurance Plan for its employees and ESG submitted a bid being recommended for the award; and

WHEREAS, the City of Willcox has discussed, considered and approved the Health Insurance Plan and employee benefits package to include plan benefits through ESG as presented in a City Council meeting and directs staff to present the formal contract documents to Mayor and Council for final approval and adoption; and

WHEREAS, the ESG will provide employee benefit package in the form of a Health Reimbursement Agreement Plan ["HRA"]; an expanded Flexible Spending Account Plan ["FSA"]; and third party administration of COBRA Plan; and

WHEREAS, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY, its employees and the citizens of the CITY to award the bid to ESG; and

WHEREAS, the CITY and the ESG desire to have this item presented at the Council Meeting on April 5th, 2010 for consideration and approval of the Bid Award for the Contract period of July 1, 2010 to June 30, 2011; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely implementation of ESG services, and that this Resolution be effective immediately upon its passage and adoption.

BE IT RESOLVED by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally approves the Bid Award to ESG for HRA, FSA and COBRA benefits, authorizes the Mayor to execute this Resolution and directs City staff to take necessary action to prepare the contract documents for presentation to Mayor and Council.

BE IT FURTHER RESOLVED by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Willcox, Cochise County, Arizona this 5th day of April, 2010.

APPROVED/EXECUTED:

/S/ GERALD W. LINDSEY
MAYOR, GERALD W. LINDSEY
Signed: April 6, 2010

ATTEST:

APPROVED AS TO FORM:

/s/ Cristina G. Whelan, CMC
City Clerk, Cristina G. Whelan, CMC

/s/ Hector M. Figueroa
City Attorney, Hector M. Figueroa

RESOLUTION NO: 2010-29

**CITY OF WILLCOX
HEALTH REIMBURSEMENT ARRANGEMENT
FLEXIBLE SPENDING ARRANGEMENT
ADOPTION AGREEMENT**

Effective Date: 7/1/10

Item I: Adoption

City Of Willcox hereby amends its Qualified "Health Reimbursement Arrangement" as set forth pursuant to Section 105 of the Internal Revenue Code and a Qualified "Cafeteria Plan - Flexible Spending Arrangement" as set forth pursuant to Section 125 of the Internal Revenue Code. The Benefit Package Options listed in Section VI of the below have been incorporated into this plan by reference. Nothing in this Adoption Agreement shall be intended to override the terms of the Plan Document to which this Adoption Agreement is attached. The adoption of these plans supersedes all previous benefit plans, similar in kind.

Item II: Employer Organization

Name of Organization: City of Willcox
Federal Employer ID Number: 86-6000270

Mailing Address: 101 S. Railroad Ave., Suite B
City, State, Zip: Willcox, AZ 85643
Physical Street Address: 101 S. Railroad Ave., Suite B
City, State, Zip: Willcox, AZ 85643

Form of Organization: Not For Profit Municipality

Item III: Plan Elections

Plan Information

Plan Number: 501
Plan Name: City of Willcox Flexible Spending Arrangement
Original Effective Date: 7/1/2009
Plan Year **: July 1st thru June 30th

Plan Information

Plan Number: 502
Plan Name: City of Willcox Health Reimbursement Arrangement
Original Effective Date: 7/1/2009
Plan Year **: July 1st thru June 30th

Plan Administrator: City of Willcox

Plan Service Provider: ESG CORP
P.O. Box 188
Geneva, IL 60134
877-668-8522

Item IV: Eligibility Requirements & Plan Entry Date

Health Reimbursement Arrangement

City of Willcox offers all employees working a minimum of 32 hours per week, plus completion of a 30 day probation period and participation in one of two HealthNet Medical insurance plans, whereby employees that incur certain eligible expenses will receive reimbursements for qualified medical deductible expenses. Eligibility for reimbursement requires participation in the City of Willcox HealthNet PPO / HMO medical insurance plans.

Flexible Spending Arrangement

City of Willcox offers all employees working a minimum of 32 hours per week, plus completion of a 30 day probation period the opportunity to participate in the Flexible Spending Arrangement.

Item V: Contacts and Responsibilities

Benefits Coordinator:

Name: Ms. Sherry Lynn Van Allen
Phone: 520-384-4271 x. 4204
Company Name: City of Willcox
Street Address: 101 S. Railroad Ave., Suite B
City, State, Zip: Willcox, AZ 85643

Acceptance of Legal Process

Company: City of Willcox
Street Address: 101 S. Railroad Ave., Suite B
City, State, Zip: Willcox, AZ 85643
Phone: 520-384-4271
Fax: 520-384-2590

Item VI: Benefit Plan Description

HEALTH REIMBURSEMENT ARRANGEMENT:

Offered to all eligible employees, as described in Item IV above, and includes reimbursements of the following qualified expenses:

HealthNet PPO / HMO Medical Insurance Plan

The Health Reimbursement Arrangement is offered to all eligible employees, as described above, and includes reimbursements of the following qualified expenses:

- i. Medical Deductible qualified expenses, in network under the plan referenced above. Any expenses other than deductible, including but not limited to, coinsurance, co pays, and out of network deductible charges will not be reimbursable under the plan.
- ii. Single coverage – The Employee is responsible for 100% of the first \$500 of the in network deductible. Once the employee meets the deductible, the Employer is responsible for 100% of the next \$4,500. The maximum benefit offered by the employer is \$4,500.
- iii. Family or Dependent Coverage – The Employee is responsible for 100% of the first \$500 of in network deductible expenses incurred by any insured member under the plan. Once the employee meets the deductible, the Employer is responsible for 100% of the next \$4,500. A maximum of two reimbursements per family may be realized. The maximum benefit offered by the employer is \$9,000.
- iv. No carryover of unused benefits are authorized by the plan.
- v. Deductibles under the HealthNet PPO / HMO Medical Plan are accumulated using a calendar year. Eligible participants may be required to settle two deductibles in a major medical event that would occur in two separate calendar years. In this case, participant would be eligible for one reimbursement per deductible plan year.

FLEXIBLE SPENDING ACCOUNT:

Offered to all eligible employees, as described in Item IV above, and includes reimbursements of the following qualified expenses:

Health FSA

- (a) The maximum annual reimbursement amount an Employee may elect for any Plan Year is \$3,000.
- (b) The maximum annual reimbursement amount that a Participant may receive during the year is the annual reimbursement amount elected by the Employee on the Salary Reduction Agreement for Health FSA coverage, not to exceed the amount set forth in (a) above.
- (c) In order to receive reimbursement under the Health FSA, the claim or claims must be substantiated prior to reimbursement. Debit Cards, will be substantiated / adjudicated utilizing the Inventory Information Approval System (IIAS), which automatically will approve the appropriateness of the qualified medical expenses (referred to by the Internal Revenue Code as Section 213(d) expenses), at point of sale. For all manual claims submitted to the plan, invoice / documentation substantiation

will be required prior to reimbursements, by faxing in receipts to the FSA agent for approval. Employees may enroll in the direct deposit program to expedite these reimbursements.

Dependent Care Assistance Plan

- (a) The maximum annual reimbursement amount a Participant may elect under the Dependent Care Assistance Plan for any Plan Year is the lesser of the maximum established by the Plan described below or the statutory maximum specified in Code Section 129. The maximum annual reimbursement amount established by the Dependent Care Assistance Plan is as follows: \$5,000 for married filing jointly or single and \$2,500 for married filing separately.
- (b) The maximum annual reimbursement that a Participant may receive during the year is the annual reimbursement amount elected by the Participant on the Salary Reduction Agreement, not to exceed the amount in (a) above.

Claims Run Out (HRA & FSA Plan) & Grace Period (FSA Plan Only):

The Run Out Period is the period of time that begins after the plan year ends during which the employee can submit claims for the payment of qualified expenses described below. This Run Out Period begins at the end of the plan year and terminates no later than 60 days after the end of the plan year.

Active Employee Run Out

The period of time that begins the day after the plan year ends during which the employee can submit claims for payment of qualified expenses incurred during the plan year, after considering Grace Period.

Terminated Employee Coverage Run Out

The period of time after an employee terminates employment (or loses eligibility to participate in the Plan) during which the employee can submit claims for expenses incurred while the employee remained a participant.

The Grace Period will end two (2) months and fifteen (15) days later. In order to take advantage of the Grace Period, you must be a Participant in the applicable spending account(s) on the last day of the plan year to which the Grace Period relates.

The following additional rules will apply to the Grace Period:

Eligible expenses incurred during a Grace Period and approved for reimbursement will be paid first from available amounts that were remaining at the end of the plan year to which the Grace Period relates and then from any amounts that are available to reimburse expenses incurred during the current plan year. Because Run-Out claims may be submitted after Grace Period claims, claims may be reordered to maximize reimbursement; as a result, grace claims and/or payments may be reassigned to the current plan year.

Item VII: Closing Period

The Closing Period is the period of time that begins after the plan year ends during which the employee can submit claims for the payment of qualified expenses described in Item VI above. This Closing Period begins at the end of the plan year and terminates 60 days after the end of the plan year, including the Grace Period.

The plan commonly referred to as the Cafeteria Plan - Flexible Spending Arrangement offers the claim submission Grace Period, during which the employee can submit claims for expenses incurred while the employee remained a participant. The claim submission Grace Period begins at the plan year end date commonly referred to by calendar as June 30th. Grace Period authorizes expenses incurred after the plan year end as eligible for reimbursement from any remaining funds of a prior plan year which remained available to eligible participants. This does not extend the rights of terminated or ineligible employee, subsequent to a termination or resignation date. The claim submission Grace Period is defined as 75 days making claims eligible thru and including September 13th of the calendar year.

**CITY OF WILLCOX
HEALTH CARE (MEDICAL) SUMMARY OF RESULTS
AS OF JUNE 1, 2010**

SUMMARY COMMENTS:

- ➡ PLAN IS RUNNING BETTER THAN EXPECTED IN 2009 / 2010
- ➡ YEAR OVER YEAR INCREASE (CURRENT VS UPCOMING) IN MEDICAL HEALTHCARE EXPENSES LESS THAN 1%
- ➡ RESERVE FROM 2009 | 2010 IS ESTIMATED OVER \$10,000 AS ADDITIONAL HEDGE AGAINST FUTURE RISK
- ➡ 2010 | 2011 CLAIMS IS ESTIMATED AT 18% - ACTUAL CLAIMS 2009 | 2010 TRACKING UNDER 10% (CONSERVATIVE)

RENEWAL STATISTICS

2009 2010 TOTAL CURRENT YEAR PREMIUM \$	393,352.00	(Includes Actual HRA Claims)
2010 2011 FUTURE YEAR PREMIUM \$	397,197.00	(Includes Estimated HRA Claims)
PERCENTAGE INCREASE	0.98%	

INSURED PARTICIPANTS

	<u>HMO</u>	<u>PPO</u>	<u>TOTAL</u>
Single	22	0	22
Employee + Spouse	7	2	9
Employee + Children	19	0	19
Family	4	1	5
Total Census	<u>52</u>	<u>3</u>	<u>55</u>
Total Deductibles	82	6	88

2009 / 2010 (CURRENT YEAR) STATISTICS:

EE DEDUCTIBLE (Per Insured) \$	500.00	
CITY OF WILLCOX REIMBURSEMENT (Per Insured) \$	2,000.00	
TOTAL AT RISK DEDUCTIBLES \$	176,000.00	100%
EXPECTED CLAIMS \$	30,780.00	17.49%
ACTUAL CLAIMS \$	16,987.00	9.65%
	(As Of 6/1/10)	
ACTUAL PERCENTAGE OF EXPECTED CLAIMS	55%	(11/12th of year complete)

2010 / 2011 (FUTURE) ESTIMATED STATISTICS:

EE DEDUCTIBLE (Per Insured) \$	500.00	
CITY OF WILLCOX REIMBURSEMENT (Per Insured) \$	4,500.00	
TOTAL AT RISK DEDUCTIBLES \$	396,000.00	100%
ESTIMATED CLAIMS \$	71,820.00	18.14%



**City Of Willcox
Price Breakdown Sheet**

Administration of Selected Benefit Plans
HRA, FSA and COBRA

The undersigned authorized representative agrees to provide the services as requested based on the following schedule of fees:

- A. HRA Administration: \$6.50 per participant per month.
One Time Setup Fee: \$ 0
HRA Disbursement Fee: \$ 0
Additional HRA Fee Information:
Manual Accounts (non-ACH authorized direct deposit) will be charged a \$1 surcharge per month per manual employee account to recover increased handling, official documents fees, documentation, and delivery / postage costs. Employee accounts using ACH direct deposit are not charged this fee. City of Willcox currently has 6 manual employee accounts.
- B. FSA Administration: \$4.35 per participant per month
One Time Setup Fee: \$ 0
FSA Card Disbursement Fee: \$ 2.25
Additional FSA Fee Information:
No Charge (ESG Exclusive Benefit) – ESG funds excess claims dollars (debit card transactions in excess of account contributions). ESG advances to the City of Willcox, in excess of \$10,000 of claims annually, interest free to employer and participant in 2009, and will again advance a similar or greater amount in 2010.
- C. COBRA Administration: \$ 1.50 per participant per month
One Time Setup Fee: \$ 0
Additional Costs: \$ 0 per occurrence.
Flat Fee Charges: \$ 0 per month.
Additional COBRA Fee Information:
Changes in the law that require special "notification of rights" packages, and require certified mail processing, will be charged at a rate of \$15 per occurrence. This handles technical documentation preparation, certified mail cost, materials and handling. ARRA passed in Feb. 2009 and again in January 2010, these were federal government imposed notifications, not discretionary fees charged by ESG.



Any additional charges and/or options or features not listed above:

New Employees joining the plan mid year incur a one-time \$25 setup fee in the month in which they join the plan. This fee covers the cost of the system setup, new employee kit preparation and postage cost, personal coaching as required, Summary Plan Description (required by ERISA), and handling to complete this requirement. **

** City of Willcox has an alternative to eliminate this charge by selecting an annual renewal fee program. The charge is \$250. Our recommendation, because employee turnover and headcount growth is low, it is normally advantageous to elect the current program. City of Willcox paid 4 new hire setup fees in the current fiscal year - \$100 total.

From time to time, FSA and/or HRA plan designs change. Events causing plan design changes require IRS compliance updates. This does not require a complete drafting of a new plan document, but a new Adoption Agreement (IRS requirement) and Summary Plan Description (ERISA requirement). Changes in these compliance documents incur a one-time charge of \$125.

Group/ Individual Name: **Employee Solutions Group**
Address: 60 E. Rio Salado Parkway
Suite 900
Tempe, AZ 85281

Business Telephone: 877.668.8522
Business Fax: 866.668.1592
Email Address: athunberg@esgcorp.biz

Type of Organization: Corporation

Proposing All Services X – (Proposing HRA / FSA / COBRA)

Alan Thunberg

March 18, 2010

Signature of Authorized Representative

Date

City of Willcox - Signature / Title

Date

**CITY OF WILLCOX
HEALTH REIMBURSEMENT ARRANGEMENT
CAFETERIA PLAN – FLEXIBLE SPENDING ACCOUNTS
PARTICIPANT SUMMARY PLAN DESCRIPTION**

City of Willcox has amended its Section 105, Health Reimbursement Arrangement Plan and Section 125, Cafeteria Plan – Flexible Spending Arrangement. This Summary Plan description describes the benefits, terms and conditions of the Plans as it applies to eligible employees on or after their eligibility date.

PLAN ADMINISTRATOR / EMPLOYER:

City of Willcox
101 S. Railroad Ave., Suite B
Willcox, AZ 85643

TAX ID NUMBER: 86-6000270
PLAN RENEWAL: 7/01/2010
CLIENT NUMBER: 2068
PLAN NUMBER: 501 – Cafeteria Plan – Flexible Spending Arrangement
502 – Health Reimbursement Arrangement

**AGENT FOR SERVICE
OF LEGAL PROCESS:**

Mr. Pat McCourt
City of Willcox
101 S. Railroad Ave., Suite B
Willcox, AZ 85643
Ph: 520-384-4271 Fax: 520-384-2590

BENEFITS COORDINATOR

Ms. Sherry Lynn Van Allen
City of Willcox
101 S. Railroad Ave., Suite B
Willcox, AZ 85643
Ph: 520-384-4271 Fax: 520-384-2590

PLAN BENEFITS:

HEALTH REIMBURSEMENT ARRANGEMENT:
Plan Year – July 1st thru June 30th

Eligibility Requirements:

City Of Willcox offers all employees working a minimum of 32 hours per week, plus completion of a 30 day probation period and participation in one of two HealthNet Medical insurance plans, whereby employees that incur certain eligible expenses will receive reimbursements for qualified medical deductible expenses. Eligibility for reimbursement requires participation in the City of Willcox HealthNet PPO / HMO medical insurance plans.

HealthNet PPO / HMO Health Insurance Plan

Offered to all eligible employees and includes reimbursements of the following qualified expenses:

The Health Reimbursement Arrangement is offered to all eligible employees, as described above, and includes reimbursements of the following qualified expenses:

- i. Medical Deductible qualified expenses, in network under the plan referenced above. Any expenses other than deductible, including but not limited to, coinsurance, co pays, and out of network deductible charges will not be reimbursable under the plan.
- ii. Single coverage – The Employee is responsible for 100% of the first \$500 of the in network deductible. Once the employee meets the deductible, the Employer is

responsible for 100% of the next \$4,500. The maximum benefit offered by the employer is \$4,500.

- iii. Family or Dependent Coverage – The Employee is responsible for 100% of the first \$500 of in network deductible expenses incurred by any insured member under the plan. Once the employee meets the deductible, the Employer is responsible for 100% of the next \$4,500. A maximum of two reimbursements per family may be realized. The maximum benefit offered by the employer is \$9,000.
- iv. No carryovers to future years of unused benefits are authorized by the plan.
- v. Deductibles under the HealthNet PPO / HMO Health Plan are accumulated using a calendar year. Eligible participants may be required to settle two deductibles in a major medical event that would occur in two separate calendar years. In this case, participant would be eligible for one reimbursement per deductible each plan year.

FLEXIBLE SPENDING ACCOUNT:

Plan Year – July 1st – June 30th

Eligibility Requirements:

City Of Willcox offers all employees working a minimum of 32 hours per week, plus completion of a 30 day probation period the opportunity to participate in the Flexible Spending Arrangement.

Health FSA

- i. The maximum annual salary reduction amount an Employee may elect for any Plan Year is \$3,000.
- ii. The maximum annual reimbursement amount that a Participant may receive during the year is the annual reimbursement amount elected by the Employee on the Salary Reduction Agreement for Health FSA coverage, not to exceed the amount set forth in (i.) above.
- iii. In order to receive reimbursement under the Health FSA, the claim or claims must be substantiate prior to reimbursement. Debit Cards, will be substantiated / adjudicated utilizing the Inventory Information Approval System (IIAS), which automatically will approve the appropriateness of the qualified medical expenses (referred to by the Internal Revenue Code as Section 213(d) expenses), at point of sale. For all manual claims submitted to the plan, invoice / documentation substantiation will be required prior to reimbursements, by faxing in receipts to the FSA agent for approval. Employees may enroll in the direct deposit program to expedite these reimbursements.

Dependent Care Assistance Plan

- i. The maximum annual reimbursement amount a Participant may elect under the Dependent Care Assistance Plan for any Plan Year is the lesser of the maximum established by the Plan described in (ii.) below or the statutory maximum specified in Code Section 129 (as described in Flexible Spending Account Plan document).
- ii. The maximum annual reimbursement amount established by the Dependent Care Assistance Plan is as follows: \$5,000 for married filing jointly or single and \$2,500 for married filing separately.
- iii. The maximum annual reimbursement that a Participant may receive during the year is the annual reimbursement amount elected by the Participant on the Salary Reduction Agreement, not to exceed the amount in (ii) above.

Claims Run Out (HRA & FSA Plan) & Grace Period (FSA Plan Only):

The Run Out Period is the period of time that begins after the plan year ends during which the employee can submit claims for the payment of qualified expenses described below. This Run Out Period begins at the end of the plan year and terminates no later than 60 days after the end of the plan year, after considering Grace Period.

Active Employee Run Out

The period of time that begins the day after the plan year ends during which the employee can submit claims for payment of qualified expenses incurred during the plan year, after considering grace and run out periods when applicable.

Terminated Employee Coverage Run Out

The period of time after an employee terminates employment (or loses eligibility to participate in the plan) during which the employee can submit claims for expenses incurred while the employee remained a participant.

The Grace Period will end two (2) months and fifteen (15) days later. In order to take advantage of the Grace Period, you must be a Participant in the applicable spending account(s) on the last day of the plan year to which the Grace Period relates.

The following additional rules will apply to the Grace Period:

Eligible expenses incurred during a Grace Period and approved for reimbursement will be paid first from available amounts that were remaining at the end of the plan year to which the Grace Period relates and then from any amounts that are available to reimburse expenses incurred during the current plan year. Because Run-Out claims may be submitted after Grace Period claims, claims may be reordered to maximize reimbursement; as a result, grace claims and/or payments may be reassigned to the current plan year.

GENERAL DISCLOSURE OF PARTICIPANT RIGHTS AND DEFINITIONS

PLAN DEFINITION AND FUNDING

This is a Section 105 and a Section 125 Accident and Health Plan and qualified Cafeteria Plan, as classified by the Internal Revenue Code. This benefit plan is classified as a welfare plan by the Department of Labor. The employer funds the Section 105 plan. The employee funds the Section 125 plan by salary reduction agreement, other than special employer funding which may be authorized at employer's discretion, offered to employees on a non discriminatory basis.

EMPLOYEE TERMINATION

You will automatically cease to be a participant on the earliest of the following dates:

1. Your death;
2. The date the Plan terminates;
3. The date the sponsor determines you made fraudulent or improper use of a plan, certificate or identification.

PLAN TERMINATION

The Plan or any portion of the Plan can be amended or terminated, in whole or in part at any time, by your employer in the same manner as the plan was adopted. Consent of any Participant, employee or any other person referenced in the Plan is not required to terminate the Plan.

QUALIFIED MEDICAL CHILD SUPPORT ORDER (QMCSO)

For procedures governing QMCSO, you or a beneficiary may obtain a copy of such procedures from the Administering Agent.

CONTINUATION OF COVERAGE, COBRA (applicable to employers with 20 or more employees)

Continuation Coverage means your right, or your spouse and dependents' right to continue to be covered under this Medical Expense Reimbursement Plan if participation by you (including your spouse and dependents) otherwise would end due to the occurrence of a "Qualifying Event." Duration of coverage will depend upon the qualified event, and will be either 18, 29 or 36 months. Qualifying Event is:

- Termination of your employment (other than for gross misconduct), or reduction of your work hours below eligibility requirements
- Your death
- Your divorce or legal separation from your spouse
- Your becoming eligible to receive Medicare benefits
- Your dependent ceases to be a dependent

It will be your obligation to inform the Plan Administrator of the occurrence of any Qualifying Event within 60 days of the occurrence, other than a change in your employment status. The Plan Administrator, in turn, has a legal obligation to furnish you, or your spouse, as the case may be, with separate, written options to continue the coverage provided through this Plan at stated **premium costs** for the remainder of the Plan Year. The notification you will receive will explain other terms and conditions of the continued coverage.

CLAIM APPEALS

If you believe you are entitled to a benefit under the Plan that is different from the amount that has been paid, you may file an appeal with the Plan Sponsor. Such an appeal must be made in writing and must contain the following information: the reason for the appeal; the facts supporting the appeal; the amount claimed; and the name and address of the person filing the appeal. The Plan Sponsor will generally make a decision within 90 days after receipt of the appeal. If an appeal is denied, the claimant may seek to review the Plan Sponsor's decision. The request must be submitted in writing within 60 days of the date of denial. Unless special circumstances arise, a written decision will be given to the claimant within 60 days of the review request.

YOUR RIGHTS

As a participant in the Company's Medical and Dental Expense Reimbursement Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act (ERISA). ERISA provides that all Plan participants shall be entitled to the following:

To examine, without charge, at the Plan Administrator's office and at other specified locations such as work-sites and union halls, all plan documents including insurance contracts, collective bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions. Plan documents and other Plan information will be provided upon written request of the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

A summary of the Plan's annual financial report will be automatically sent when such a report is required by law. In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of the Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit from the Plan or from exercising your rights under ERISA.

If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored in whole or in part, you may file suit in a state or federal court as above. If it should happen that Plan fiduciaries or if you are discriminated against for asserting your rights you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the Court may order the person you have sued to pay these costs and fees. If you lose or if your claim is found to be frivolous, the court may order you to pay these costs and fees. If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.