



# TOWN OF HUACHUCA CITY

The Sunset City

**MEETING MINUTES OF THE  
HUACHUCA CITY TOWN COUNCIL  
September 12, 2024 AT 6:00 PM  
COUNCIL CHAMBERS  
500 N. GONZALES BLVD.  
HUACHUCA CITY, AZ 85616**

**A. Call to Order – Mayor**

- a. Pledge of Allegiance
- b. Roll Call and Ascertain Quorum

**B. Roll Call.**

**Roll Call.**

**Present:** Johann Wallace, Christy Hirshberg, Debra Trate, Cynthia Butterworth, Danielle Cardella, Town Manager Suzanne Harvey (Not voting), Town Clerk Brandye Thorpe (not voting), Town Attorney Thomas Benavidez (Not voting, joined at 6:11pm).

**Absent:** Jeffrey Ferro

- c. Invocation

*Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Town Clerk's Office and interested persons should contact the Town Clerk's Office for further information.*

**B. Call to the Public – Mayor**

*A.R.S. 38-431.01 states the Public Body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the Public Body. At the conclusion of an open call to the public, individual members of the Public Body may respond to criticism made by those who have addressed the Public Body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the Public Body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.*

### **C. Consent Agenda - Mayor**

All items listed in the Consent Agenda are considered routine matters and will be enacted by one motion of the Council. There will be no separate discussion of these items unless a Member of the Town Council requests that an item or items be removed for discussion. Council Members may ask questions without removal of the item from the Consent Agenda. Items removed from the Consent Agenda are considered in their normal sequence as listed on the agenda, unless called out of sequence.

C.1 Consider approval of the Minutes of the Regular Council meeting held on September 12, 2024.

C.2 Consider approval of the Payment Approval Report.

**Motion:** Approval of the items on the Consent Agenda, **Action:** Open for Discussion and/or Action, **moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

**Motion:** Approval of the items on the Consent Agenda, **Action:** Approve, **moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Motion passed unanimously.

### **D. Unfinished Business before the Council – Mayor**

Public comment will be taken at the beginning of each agenda item, after the subject has been announced by the Mayor and explained by staff. Any citizen, who wishes, may speak one time for five minutes on each agenda item before or after Council discussion. Questions from Council Members, however, may be directed to staff or a member of the public through the mayor at any time.

### **E. New Business Before Council - Mayor**

Public comment will be taken at the beginning of each agenda item, after the subject has been announced by the Mayor and explained by staff. Any citizen, who wishes, may speak one time for five minutes on each agenda item before or after Council discussion. Questions from Council Members, however, may be directed to staff or a member of the public through the Mayor at any time.

**E.1 Discussion and/or Action [Mayor Wallace]: Acceptance of the resignation of Councilmember Jeffrey Ferro, and discussion concerning announcement of the vacant seat on the Council.**

**Motion: Item E.1 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Christy Hirshberg.**

Mayor Wallace advises of Councilmember Ferro's resignation. He wishes Mr. Ferro well and states that staff should be publicizing the vacancy on the Facebook page and in the newsletter.

**Motion:** Accept the resignation of Councilmember Ferro and direct staff to publicize the vacancy as discussed, **Action:** Approve, moved by Johann Wallace, Seconded by Christy Hirshberg.

Motion passed unanimously.

**E.2 Discussion and/or Action [Spencer Forsberg]:** Mr. Forsberg will present the Town's Financials for the month of July.

**Motion:** Item E.2 **Action:** Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Christy Hirshberg.

Mr. Forsberg presents the Town's financials for the month of July. He makes note that the garbage fund actually was in the black this month.

**E.3 Discussion and/or Action [Jennifer Frank]:** Ms. Frank will present the fiscal year 2023 audit report. This is a statutorily required review of the Town's financial activity for the past fiscal year. All revenues and expenses may be discussed. The Council will be asked to approve the report.

**Motion:** Item E.3 **Action:** Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Christy Hirshberg.

Ms. Frank gives a presentation as follows:

# Audit Reports

## Independent Auditors Report (pg 1-3)

Unmodified or “clean opinion”

## Report on Internal Control over Financial Reporting and on Compliance (pg 81-82)

One material weakness noted.

One compliance item noted.

## Government Wide Financial Highlights

Total net position (equity) was \$9,723,114 at June 30, 2023.

Over time, increases or decreases in net position are an indicator of whether the financial health of the Town is improving or deteriorating.

## **Government Wide Financial Highlights**

Net position increased by \$648,682 during fiscal year 2023.

The net position of governmental activities increased by \$900,027.

The net position of business-type activities decreased by \$251,345.

## **Government Wide Financial Highlights**

Governmental capital assets increased by \$368,814 (net). The Town reported \$567,725 of additions, disposals of \$14,000, and \$198,036 of depreciation expense (pg 44)

Business-type capital assets decreased by \$185,535 (net). The Town reported \$68,200 of additions, disposals of \$0, and \$253,735 of depreciation expense (pg 45).

# Government Wide Financial Highlights

Total Governmental long-term debt was \$742,174 at June 30, 2023. (pg 47-49)

- \$34,522 – Compensated Absences
- \$346,775 – Net Pension/OPEB Liability
- \$310,000 – Excise Tax Revenue Bonds
- \$0 – Notes payable-Lumen
- \$50,877 – Notes payable

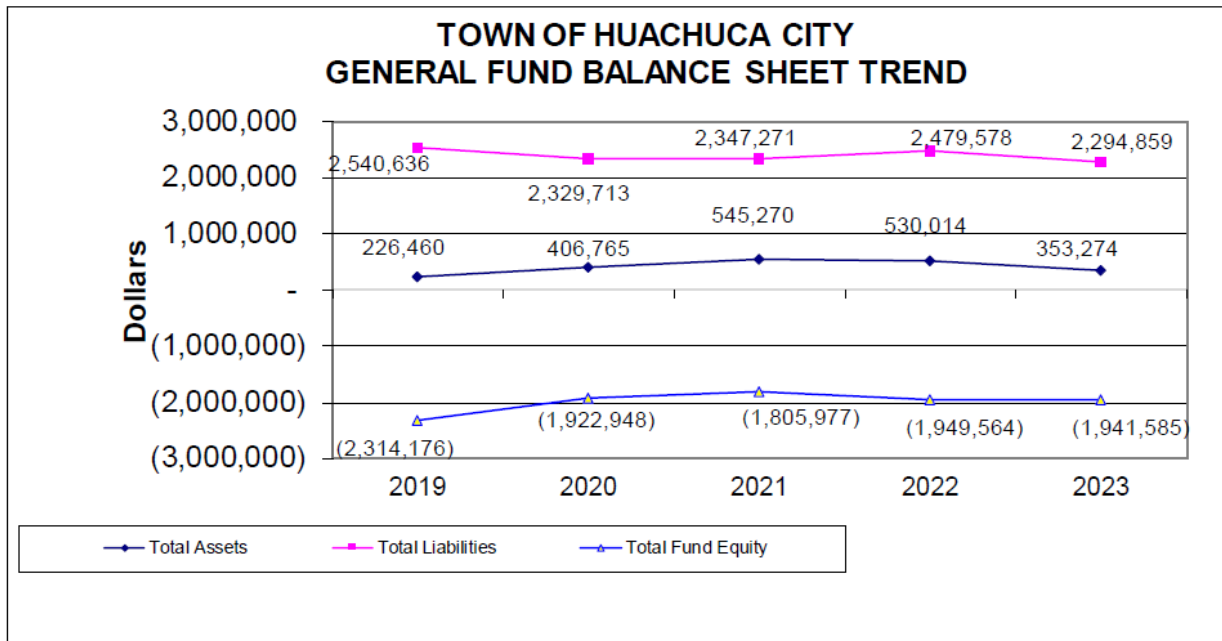
Overall, governmental long-term debt increased by \$36,056.

# Government Wide Financial Highlights

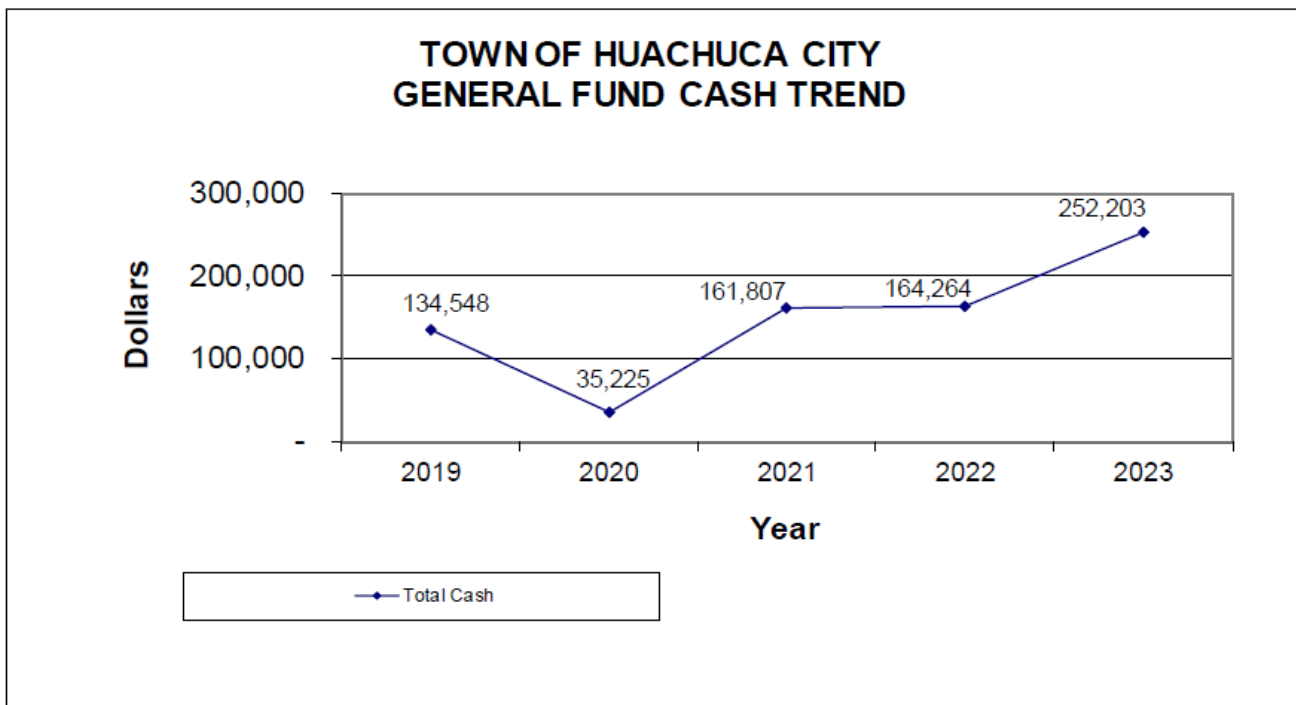
Total Business-Type long-term debt was \$4,943,861 at June 30, 2023.

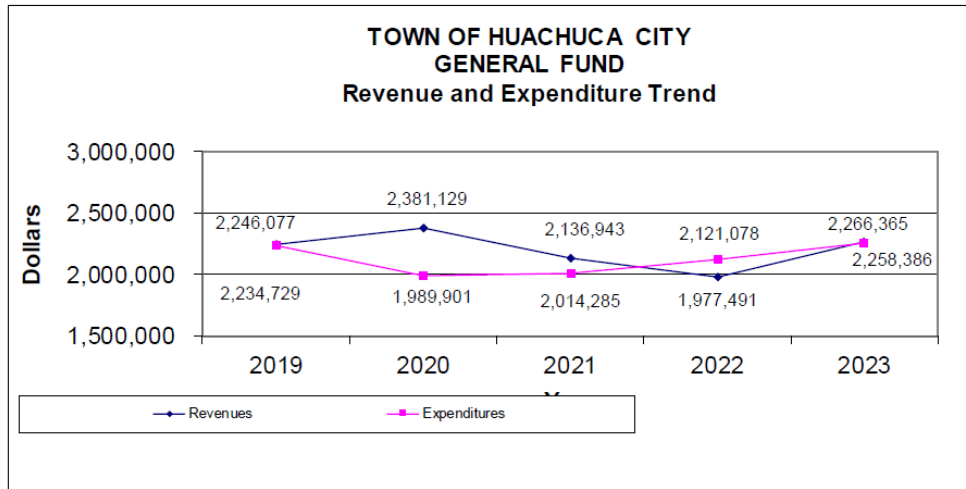
- \$1,522,715 – Notes Payable
- \$17,980 – Compensated Absences
- \$3,403,166 – Landfill Closure/Postclosure

The Town's Business-Type long-term debt increased by \$66,511

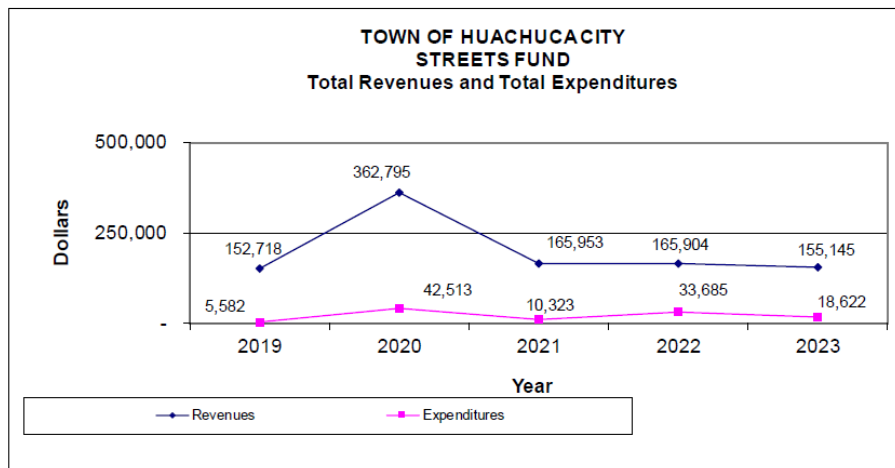


The amount due to the Landfill Fund is \$2,090,813.



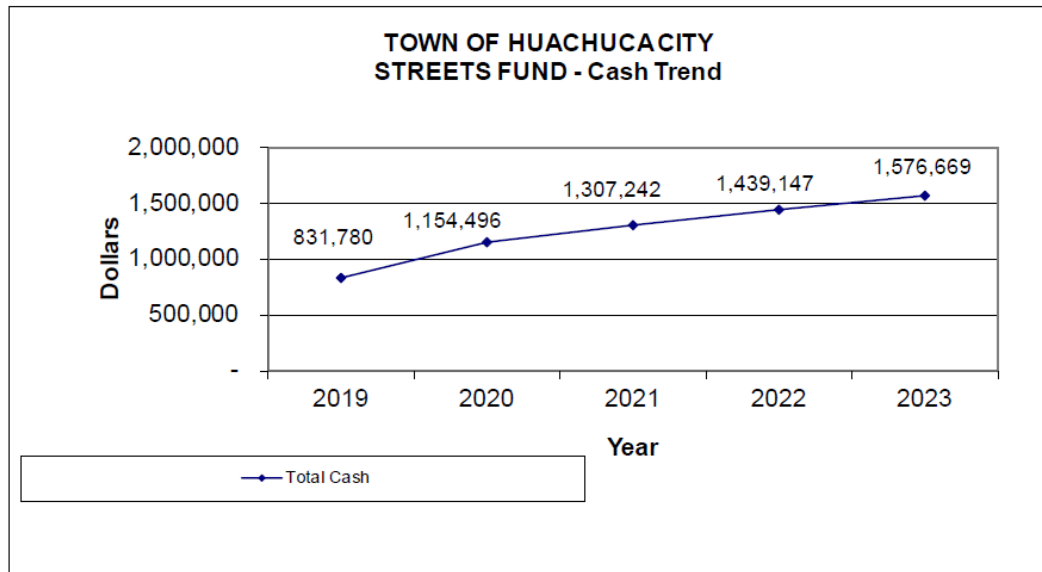


Most revenue items saw a modest increases from the prior year with a few exceptions.

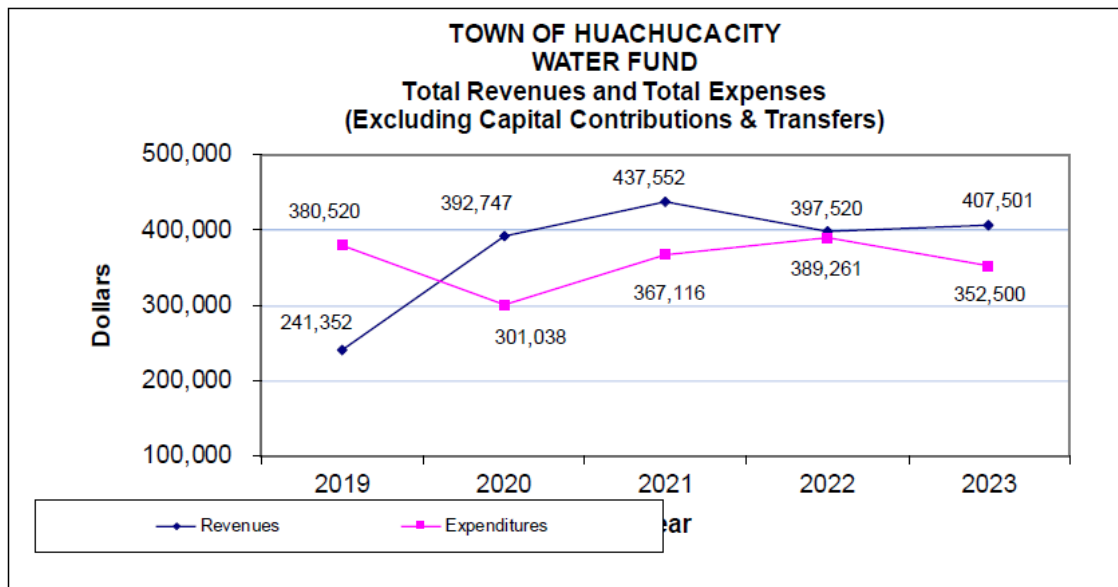


Over time, revenues should approximate expenditures in the Highway Users Revenue Fund since revenues are required to be spent on roads. The increase in revenue in fiscal year 2020 was due to one-time HB2748 monies (infrastructure funds).

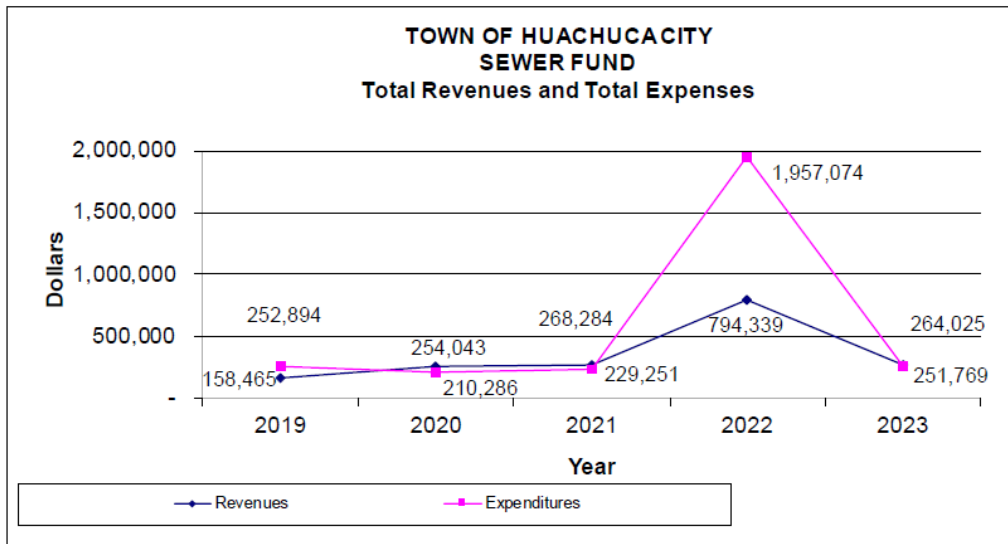
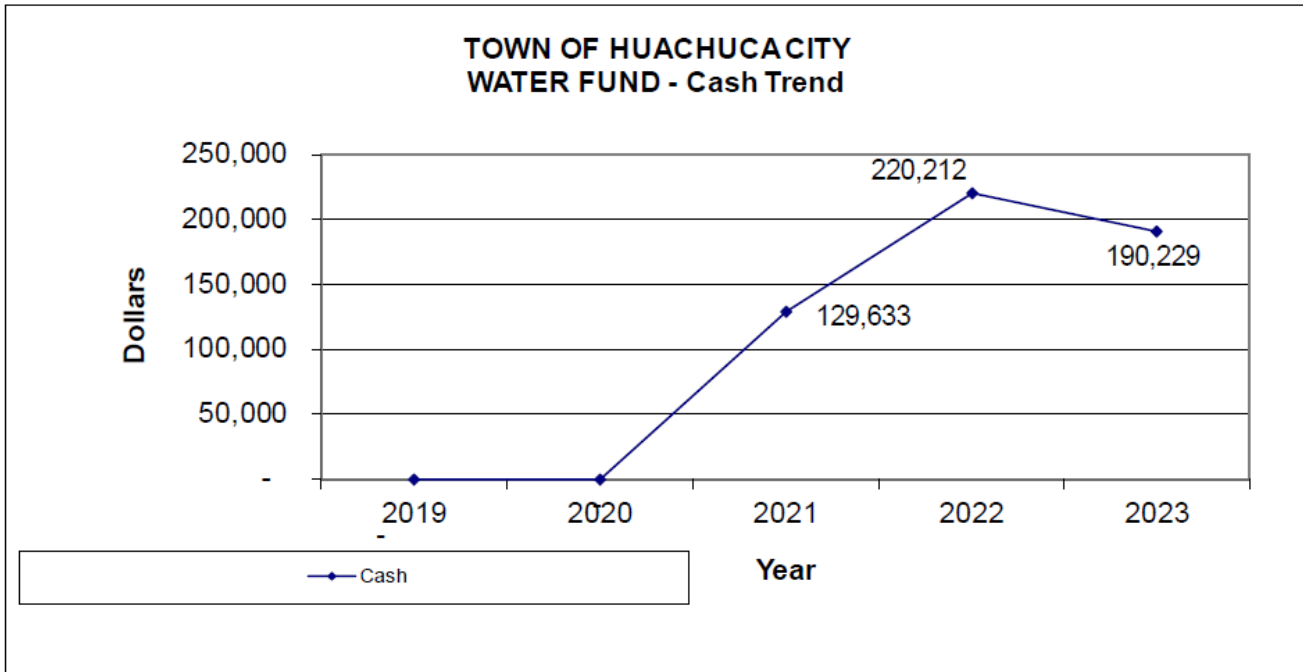




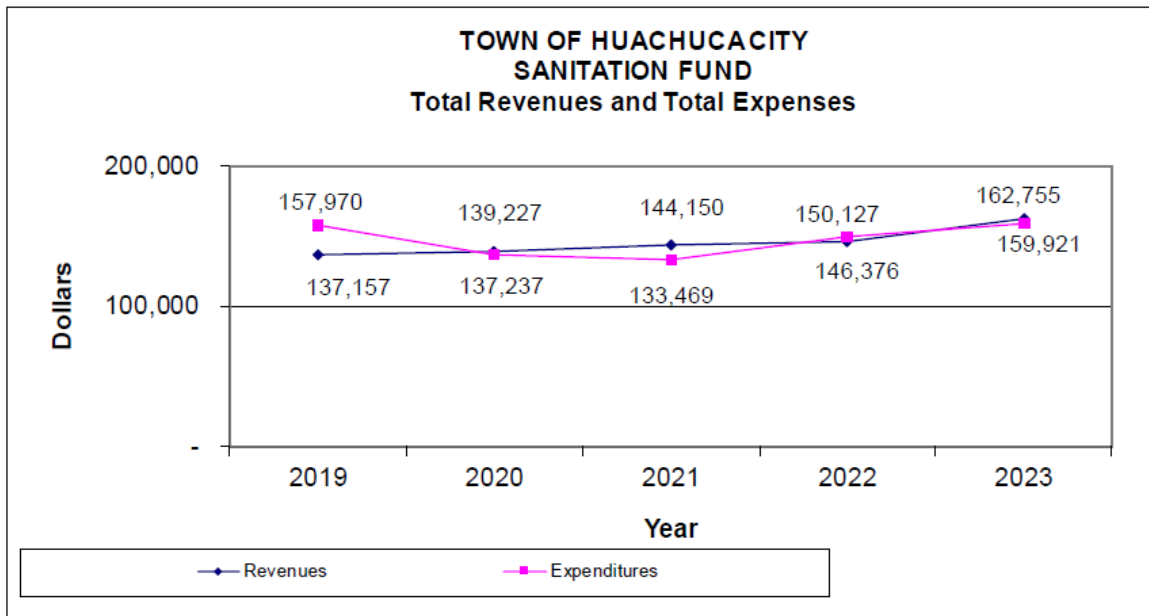
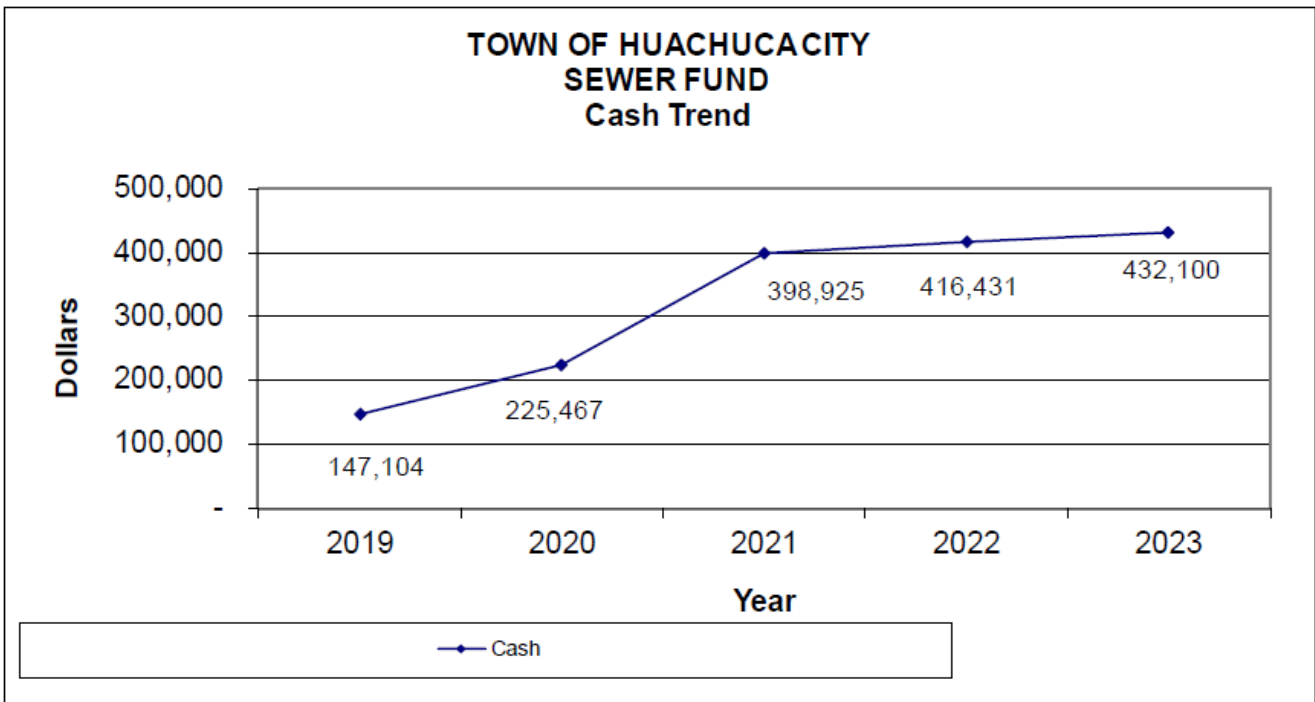
Cash in the HURF fund has increased 89% over the past five years.



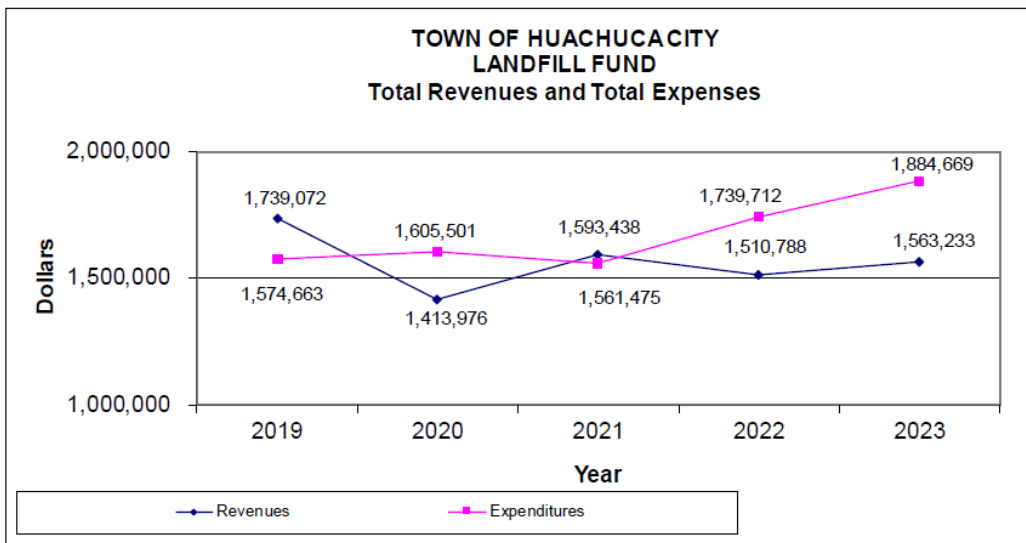
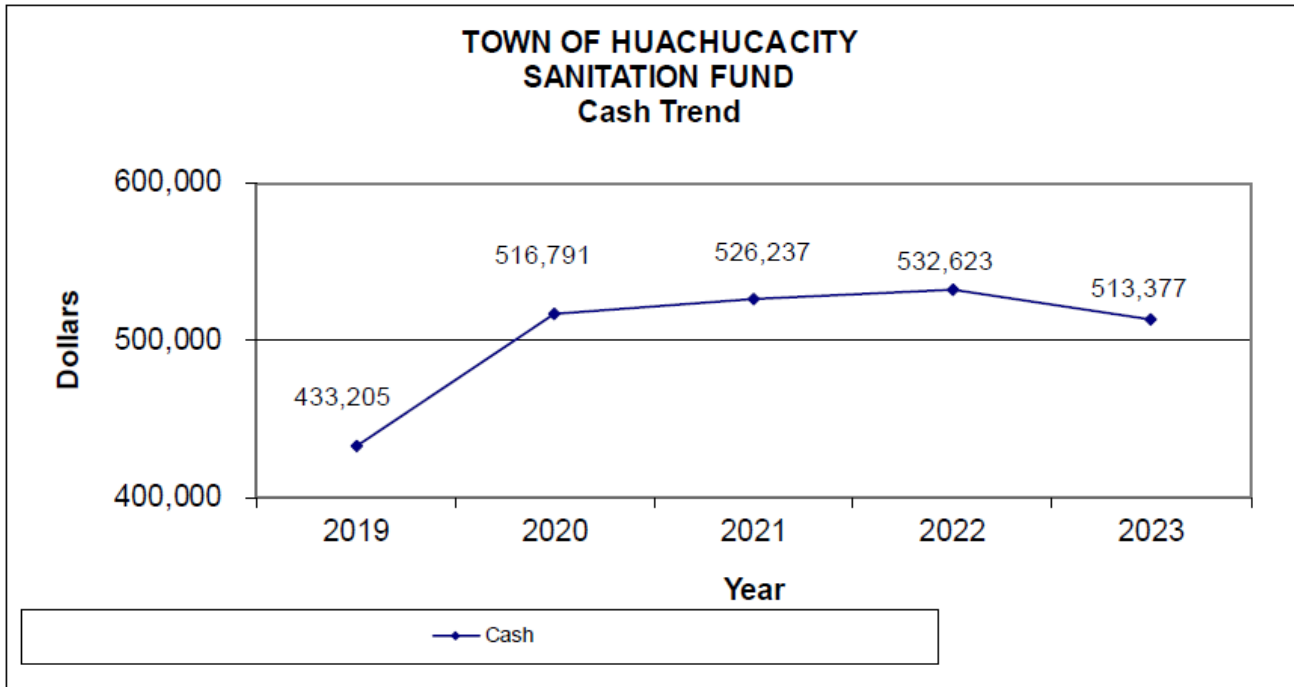
Fiscal year 2023 reported revenues in excess of expenditures of \$55,001.



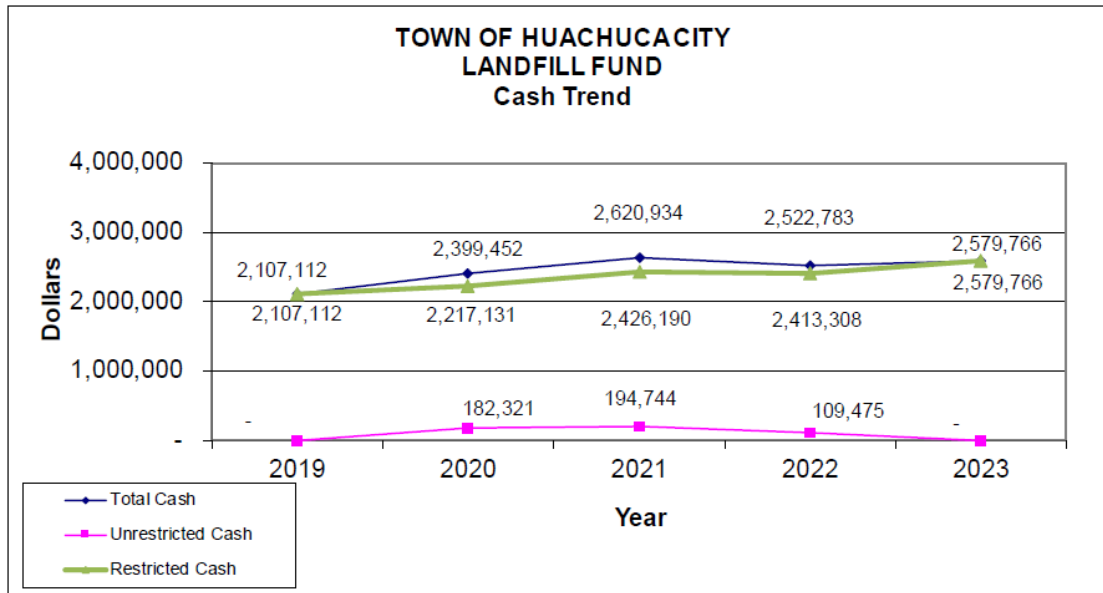
2023 the Sewer Fund had net income of \$12,256. In 2022, Sewer Fund expenses exceeded revenues by \$1,162,735. This is a result of one-time environmental remediation costs related to the sewer ponds which totaled \$1,730,965. A portion of this cost was covered through grant funds and the remainder was covered by new debt borrowings.



Sanitation Fund revenues exceeded expenses \$2,834.



The landfill fund paid \$702k in rents to the general fund.  
 The fund reported \$180k in closure/post-closure expense and \$128k in depreciation expense.  
 In fiscal year 2019 there was a gain on the sale of assets of \$322,981.



Cash is restricted for the landfill post-closure costs

# Thank You!

**Thank you for the opportunity to work with the Town and thanks to those who assisted with this year's audit.**

Councilmember Trate asks about the findings report and if the material weakness has been recurring, or if it is new.

Ms. Clark states that it is new this year and is due to bank reconciliations.

**Motion: The results of the Audit as presented, Action: Accept, moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Motion passed unanimously.**

**E.4 Discussion and/or Action [Suzanne Harvey]: Approval of a new fee schedule for disposal services at the Landfill.**

**Motion: Item E.4 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Christy Hirshberg.**

Ruben Villa presents a new rate schedule based on his calculations. He explains the cuts that will have to be made in the budget to use these lower rates.

**Motion: The fee schedule for the landfill with the rates as discussed, Action: Approve, moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Motion passed unanimously.**

**E.5 Discussion and/or Action [Suzanne Harvey]: Approval of an amendment to the Intergovernmental Support Agreement "IGSA" with the Ft. Huachuca Army Garrison to incorporate landfill disposal services within the solid waste services IGSA.**

**Motion: Item E.5 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

Mayor ProTem Hirshberg recuses herself due to working for the garrison. She exits the room.

Manager Harvey explains that this is just to roll the billing for waste disposal from Ft. Huachuca that is currently billed separately into the billing for the commercial waste pickup and disposal IGSA that we currently have. This was requested by Ft. Huachuca.

**Motion: The amendment to the Intergovernmental Support Agreement "IGSA" with the Ft. Huachuca Army Garrison to incorporate landfill disposal services within the solid waste services IGSA, Action: Approve, moved by Johann Wallace, Seconded by Cynthia Butterworth. Motion passed unanimously.**

Mayor ProTem Hirshberg rejoins the meeting.

**E.6 Discussion and/or Action [Chief Berry]: Approval to begin the process of updating the Police Department's fee schedule, including fees for obtaining copies of public records.**

**Motion: Item E.6 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

Manager Harvey explains that the state just approved some of these new rates, including the body cam footage rate that is proposed.

**Motion: beginning the process to update the Police Department's fee schedule, Action: Approve, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

**Motion passed unanimously.**

**E.7 Discussion and/or Action [Suzanne Harvey]: Approval to trade in the old Road Grader vehicle.**

**Motion: Item E.7 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Manager Harvey explains that we will get \$3,600.00 in trade in value on our old Road Grader.**

**Motion: Trading in the old Road Grader for \$3,600.00, Action: Approve, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

**Motion passed unanimously.**

**E.8 Discussion and/or Action [Chief Berry]: Approval of a municipal lease purchase option agreement [Agreement # 2014] for a new police vehicle [2024 Chevy Tahoe], and authorizing the Town Manager to execute and deliver the agreement and all other documents required to close and finance the transaction.**

**Motion: Item E.8 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Debra Trate.**

**Motion: a municipal lease purchase option agreement [Agreement # 2014] for a new police vehicle [2024 Chevy Tahoe], and authorizing the Town Manager to execute and deliver the agreement and all other documents required to close and finance the transaction.**

**, Action: Approve, moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Motion passed unanimously.**

**E.9 Discussion and/or Action [Suzanne Harvey]: Annexation update – the Council will discuss the process for moving forward to pursue annexation projects in Lower Huachuca City, east of the current Town limits to include the 400, 500 and 600 blocks and east Hunt Road. The Council might direct staff to schedule a work session meeting to further evaluate potential annexation projects and the necessary procedures therefor.**

**Motion: Item E.9 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

**Motion: move forward with collecting more information and bring it back at the first meeting in January, Action: Direct Staff, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

**Motion passed unanimously.**

**E.10 Discussion and/or Action [Mayor Wallace]: PROCLAMATION NO. 2024-15: A PROCLAMATION OF THE MAYOR, DECLARING OCTOBER 6 THROUGH 12, 2024, AS “FIRE PREVENTION WEEK” IN THE TOWN OF HUACHUCA CITY.**

**Motion: Item E.10 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Christy Hirshberg.**

**E.11 Discussion and/or Action [Mayor Wallace]: PROCLAMATION NO. 2024-16: A PROCLAMATION OF THE MAYOR DECLARING OCTOBER, 2024, AS “DOMESTIC VIOLENCE AWARENESS MONTH” IN THE TOWN OF HUACHUCA CITY.**

**Motion: Item E.11 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

**E.12 Discussion and/or Action [Mayor Wallace]: PROCLAMATION NO. 2024-17: A PROCLAMATION OF THE MAYOR DECLARING THE MONTH OF OCTOBER, 2024, AS “HISPANIC HERITAGE MONTH” IN THE TOWN OF HUACHUCA CITY.**

**Motion: Item E.6 Action: Open for Discussion and/or Action, moved by Johann Wallace, Seconded by Cynthia Butterworth.**

## **F. Reports of Current Events by Council**

**Councilmember Butterworth-** Food distribution was on the 13<sup>th</sup>. There were still a lot of people needing food. Movies in the Park went very well. There was a good turnout.

**Mayor Wallace-** Met with the principal and vice principal of Huachuca City School yesterday. Will have an item on the next agenda about facilities.

**Councilmember Cardella-** Attended the Hispanic Chamber Mixer. Was the Cochise County 100<sup>th</sup> anniversary fair. National Night out in Sierra Vista on Tuesday.

**Councilmember Trate-** Will attend the SSVEC focus group tomorrow.

**Mayor ProTem Hirshberg-**Went to the Hispanic Chamber Mixer.

## **G. Adjournment**

**Motion:** To Adjourn, **Action:** Adjourn, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Motion passed unanimously.

Approved by Mayor Johann R. Wallace on October 10, 2024.

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Mr. Johann R. Wallace  
Mayor

Attest: \_\_\_\_\_  
Ms. Brandye Thorpe,  
Town Clerk



Seal:

**Certification**

I hereby certify that the foregoing is a true and correct copy of the Minutes of the Meeting for the Huachuca City Town Council held on September 26, 2024. I further certify that the meeting was duly called and a quorum was present.

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Ms. Brandye Thorpe,  
Town Clerk