



**MINUTES OF THE  
HUACHUCA CITY TOWN COUNCIL  
WORK SESSION  
HELD ON THURSDAY, MAY 02, 2019 AT 6:00PM  
HUACHUCA CITY TOWN HALL-500 N. GONZALES BLVD. HUACHUCA CITY,  
AZ 85616**

**AGENDA**

**A. Call to Order**

Mayor

The meeting was called to order at 6:00pm by Mayor Wallace. The pledge of allegiance was led by Mayor Wallace.

**Roll Call.**

**Present:** Johann Wallace, Donna Johnson, Joy Banks, Cynthia Butterworth, Christy Hirshberg, Walt Welsch, Matthew Williams (Not voting) Suzanne Harvey (Not voting), Jim Halterman (Not voting), Jim Thies (Not voting), Gerri Sullivan (Not voting), Joe Glowacki (Not voting), Margaret Saenz (Not voting), Ha Vu (Not voting).

Councilmember Banks arrived at 6:10pm, Councilmember Welsch arrived at 6:26pm.

**B. Business before the Council**

Mayor

- B.1 Discussion Only [Mayor Wallace]: Budget for Fiscal Year 2019-2020 – Discussion will include budgets for Council, Court, Fire, Admin, Bus Line, Police, Animal Control, IT, Building Official, Public Works, Pool, Summer Splash, Parks & Rec, Library, Senior Center, Grants, Insurance, Water, Sewer, Landfill, Garbage, HURF, and Town Revenues. Due to possible time constraints, it is possible that one or more of these items may be postponed until a later work session to be scheduled in advance.**

**Motion to open item B.1 for discussion. Moved by Mayor Wallace. Seconded by Councilmember Hirshberg.**

The Mayor discussed the importance of how this is the first time the Town has had a balanced budget in years. The Town Manager began the discussion with the Town revenues. The large differences on the revenue were reductions in county shelter revenue and police fines. Building permits, surplus auctions, and landfill lease payment were up. The largest change in the Town revenues sheet was the increase in the landfill lease payment made possible by lower landfill operation costs.

Councilmember Joy Banks arrived at 6:10pm.

Since 2010 the Town has spent over \$7 million from savings in overspending. Sewer Fund, Water Fund, Landfill Fund and Garbage Fund will all now have savings accounts and be transferring money during FY 19-20 to savings account per utility.

The Town Manager presented the court budget. There was some discussion to divide the court clerk costs 70% admin, 30% court costs. The court clerk is now spending more time on admin then court duties. The Town is expecting a 10% on healthcare insurance costs. Town staff is also planning for a 1% increase on full time staff. Court budget increased 6% mainly due to utilities and court appointed attorney costs. The difference between Court Trust fund and Court were explained.

Councilmember Welsch arrived at 6:26pm.

The Town Manager explained the Court Trust Fund as a pass-thru and gave a brief review of the Town revenues sheet. Possible costs for re-opening the grant including renovation and county shelter payment will be included on the grant side; should the funding become available.

Public Works costs will now be divided 45% water, 45% sewer, 10% public works general fund. Public Works general fund is a new budget/departement for FY 19-20. The finance clerk will be paid 75% landfill, 25% admin. Councilmember Welsch asked about the Town being reimbursed by ADOT for the Town cutting grass in ADOT right of way.

The Town Manager discussed the 5% decrease on the building regulation budget. This was mainly due to the reduction in abatement funds in the Town budget due to the fact that \$0 was spent on abatement on FY 18-19. Also Dr. Johnson's office staff is paying for all correspondence for the town for building issues.

The fire budget was reduced due to the sale of the Wildland truck, and the completion of payments on the 2014 F550 and F350 in FY 18-19. Town Council expressed an interest in obtaining quotes for separate electrical meters for the police/fire departments.

Council budget changed due to Councilmembers volunteering to not take their monthly stipends. Attorney fees will now all be paid out of the Council budget. Parks & Rec budget changed as event costs were reduced and 4<sup>th</sup> of July event costs will now be paid out of Parks & Rec vs Town Council budget. There was some discussion about the location of the Town Christmas tree.

Garbage will now be paying \$19,350 annually to the Town general fund for administrative tasks of billing and management. This amount is paid by the administrative fee. Council requested savings/interest on garbage be shown on a separate budget sheet.

Public Works general fund is a new budget for FY 19-20. This will include things like grass, building maintenance, etc.

Water revenues will now be increasing due to the new water rates. Water will not have transfers in from savings. Water expenditures will be 45% of Public Works costs.

Sewer revenues will now be increasing due to the new sewer rates. Sewer will not have transfer in from savings. Sewer savings will be 45% of Public Works costs. Sewer budget includes \$25,000 on loan payments for the sewer pond project.

Town grants were discussed including Stone garden. The question was raised on PSRS on Stone garden. The Town Manager explained that Stone garden pays retirement benefits for when the employee is working, but not for future expenses due to inflation or COLA's.

Animal shelter budget was reduced due to no county animals, and the IGA with Sierra Vista. Chief Theis explained how he would like a definitive answer on county on shelter renovation funding. Gerri Sullivan discussed the need for rabies shots for ACO's. The question of grant funded out of state travel training was also discussed.

Chief Theis explained the police budget including the upcoming retirement of Lieutenant Glowacki and the hiring of a new officer. The need for new police cars and USDA grant funding was also discussed. The question of telephone service costs was raised.

Council paused the meeting at 8:00pm. Meeting resumed at 8:10pm.

Director Harvey discussed the library budget. These changes including the \$12 minimum wage effective 1/1/20. It was requested that e-rate consultant be moved under contract labor. Also the question of color copies was raised, including the Town newsletter. Councilmember Welsch asked Director Harvey while the Library personnel costs were not being reduced with one day of the library being closed. The Town Manager added that he calculated the salary/benefits costs based from current actual expenditures. Director Harvey also offered to decline her 1% raise if needed.

The Town Manager discussed the landfill revenues/expenditures. Councilmember Welsch asked if the Town landfill should pay the general fund back for the scraper repair in FY 17-18. The Finance Clerk looked up this account in Casselle, and it showed the expense to Empire was paid from the landfill budget not the General Fund. Landfill expenditures were reduced from \$369k to \$211k based on employees being paid from the correct departments. The Town landfill property lease was increased. The Town Manager explained the landfill trust fund, and the need to close landfill cells while opening new landfill cells to prevent payments to the landfill trust fund.

The Town Manager presented the Admin budget. The main difference was personnel costs which now includes the Town Manager, Town Clerk, and 25% of finance clerk. The Mayor discussed advertising on social media vs newspaper ad costs. Insurance costs increased due to most insurance is now paid out of admin. Vehicle insurance is paid by the departments the vehicles belong to.

The Mayor covered the IT budget including emails and cell phones. The Sentinel contract is also included in the IT budget.

In closing the Town Manager reviewed the budget timeline. The tentative budget will be on May 09; final budget will be on June 13. The Town is on target to have a balanced budget for FY 19-20.

#### **D. Adjournment**

**Motion:** Adjourn meeting, **Action:** Adjourn, **Moved by** Mayor Wallace, **Seconded by** Councilmember Butterworth. Motion passed unanimously.

Meeting adjourned at 9:34 pm.

Approved by Mayor Wallace on May 09, 2019.



Johann Wallace, Mayor

Attest: 

Matthew Williams, Interim Town Clerk

Seal:



**Certification**

I hereby certify that the foregoing is a true and correct copy of the Minutes of the Work Session for the Huachuca City Town Council held on May 02, 2019. I further certify that the meeting was duly called and a quorum was present.



Matthew Williams, Interim Town Clerk