



TOWN OF HUACHUCA CITY

The Sunset City

**MEETING MINUTES OF THE
HUACHUCA CITY TOWN COUNCIL
May 28, 2020 AT 7:00 PM
HUACHUCA CITY Library/ Online
500 N. GONZALES BLVD.
HUACHUCA CITY, AZ 85616**

SPECIAL NOTICE: BY PROCLAMATION OF THE MAYOR DUE TO THE COVID-19 PANDEMIC, THE MAYOR AND COUNCIL WILL HOLD PUBLIC MEETING'S AT THE TOWN LIBRARY. THESE MEETINGS WILL BE LIVE-STREAMED. MEMBERS OF THE PUBLIC MAY ATTEND THESE MEETINGS BY GOING TO <https://www.facebook.com/HuachucaCityAZ>. IN ADDITION, THE MAYOR HAS TEMPORARILY SUSPENDED CALLS TO THE PUBLIC AT THESE MEETINGS. HOWEVER, MEMBERS OF THE PUBLIC MAY SUBMIT WRITTEN COMMENTS TO THE TOWN CLERK TWENTY-FOUR HOURS IN ADVANCE OF THE MEETING. ADVANCE NOTICE OF THESE MEETINGS CAN BE FOUND AT THE TOWN'S USUAL AGENDA POSTING LOCATIONS INCLUDING THE TOWN'S WEBSITE <https://huachucacityaz.gov/>

AGENDA

A. Call to Order – Mayor

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

The meeting was called to order at: 7:16 pm

The Pledge of Allegiance was led by: Mayor Wallace

The invocation was offered by: Chief Thies

Roll Call

Individual	Position	Present	Absent
Johann Wallace	Mayor	X	
Donna Johnson	Mayor Pro-Tem	X	
Debra Trate	Councilor	By Phone	
Christy Hirshberg	Councilor	X	
Joy Banks	Councilor	X	
Cynthia Butterworth	Councilor	X	
Jean Post	Councilor	X	
Philip Cushman	Town Manager	X	
Janine Rustine	Town Clerk	X	
Thomas Benavidez	Town Attorney	By phone	

B. Call to the Public – Mayor TEMPORARILY SUSPENDED – WRITTEN COMMENTS MAY BE SUBMITTED TO THE TOWN CLERK

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 Council meeting held on May 14th, 2020.
- C.2.** Consider approval of the minutes of the Council Work session held on May 14th, 2020
- C.3.** Consider approval of the Payment Approval Report in the amount of \$41,462.62

Motion C: Open item for discussion and/or action		Action: Open
Moved by: Mayor Wallace	Seconded by: Councilor Hirshberg	

Motion C:		Action: Approved
Moved by: Mayor Wallace	Seconded by: Councilor Hirshberg	

D. Unfinished Business before the Council – Mayor

Public comment **TEMPORARILY SUSPENDED – WRITTEN COMMENTS MAY BE SUBMITTED TO THE TOWN CLERK** 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.

D.1. Discussion and/or Action [Director Harvey]: Update on progress towards reopening of the Town pool.

Motion D.1: Open item for discussion and/or action		Action: Open
Moved by: Mayor Wallace	Seconded by: Councilor Hirshberg	

Director Harvey: Public Works worked hard and got the pool up and running and almost ready for opening. They power washed the whole pool. We're still having a bit of staffing issues but we are getting applications. We are hoping to open June 18th. I have gotten some good guidelines from the CDC. We will hire someone just to do just cleaning so the lifeguards can concentrate on their jobs. We will move all the furniture out so we don't have to constantly clean it.

Motion D.1: Direct towards opening		Action: Approved
Moved by: Mayor Wallace	Seconded by: Mayor ProTem Johnson	

E. New Business Before Council - Mayor

Public comment **TEMPORARILY SUSPENDED – WRITTEN COMMENTS MAY BE SUBMITTED TO THE TOWN CLERK** 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 [Spencer Forsberg]: May 2020 Town Finance Report

Motion E.1: Open item for discussion and/or action			Action: Open
Moved by: Mayor Wallace	Seconded by: Councilor Butterworth		

Spencer Forsberg: 83% through fiscal year. I just want to point out that we are in the black and there savings accounts have been built up this year.

Monthly revenue for April \$135,210.73 and for the year \$1,707,745.80

Expenditures for April \$222,448.89

Water \$19,689.46
 Sewer \$13,932.04
 Landfill \$2,553.31

E.2 Discussion and/or Action [Director Vu]: RESOLUTION 2020-07 ESTABLISHING A SALARY EQUIVALENT FOR PURPOSES OF COMPUTING WORKERS' COMPENSATION INSURANCE PREMIUMS AND COMPENSATION BENEFITS FOR VOLUNTEERS.

Motion E.2: Open item for discussion and/or action			Action: Open
Moved by: Mayor Wallace	Seconded by: Mayor ProTem Johnson		

Manager Cushman: This is for workers compensation if we have any volunteers, we have estimated we will have 10 volunteers.

Mayor Wallace: We will have to change the resolution to reflect the changes we want. Ten volunteers and then the jobs we want which are police, library, administrative tasks and senior center.

Motion E.2: With Changes made by Council		Action:
Moved by: Mayor Wallace	Seconded by: Councilor Hirshberg	

E.3 Discussion and/or Action [Director Vu]: RESOLUTION 2020-08 AUTHORIZING PARTICIPATION AND MEMBERSHIP IN THE ARIZONA MUNICIPAL RISK RETENTION POOL, AN ARIZONA NONPROFIT CORPORATION, FOR WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE COVERAGE.

Motion E.3: Open item for discussion and/or action		Action: Open
Moved by: Mayor Wallace	Seconded by: Councilor Hirshberg	

Manger Cushman: This is for workers compensation for the rest of the employees.

Motion E.3:		Action: Approved
Moved by: Mayor Wallace	Seconded by: Councilor Butterworth	

E.4 Discussion and/or Action [Director Vu]: Authorization of Finance Clerk to select a provider for medical, voluntary vision, and voluntary dental insurance coverage for Town employees.

Motion E.4: Open item for discussion and/or action		Action: Open
Moved by: Mayor Wallace	Seconded by: Mayor ProTem Johnson	

Manager Cushman: Because of the resignation of our finance clerk another employee Gerri Sullivan will be doing the presentation. Ms. Sullivan used to sell insurance so she had knowledge of insurance.

Gerri Sullivan:

Current Employer cost for one year -	\$116,488 (\$9,707 monthly)
Renewal Employer cost for one year -	\$123,396 (\$10,283 monthly)

Increase rate of 5.5% (the average increase is 10% - 12%) \$6,908 (\$576 monthly)
Per Pay Period Employee only rate would stay the same (13 employees currently use) at \$25;
+spouse increase to \$388.98(1 employee currently uses); +kids increase to \$370.77(0
employees use); +family increase to \$862.17(0 employees use)

This would be leaving the current medical plan as is and continuing with VSP Vision and
Principal Dental, both remaining 100% paid by the employee (current usage: 9 employees
only, 2 +spouse, 1 +kids, and 2 family each for vision and dental) –for employees rates and
coverage on Principal Dental vs CIGNA Dental

Minimal coverage changes –

Employees would still be able to take advantage of the dental insurance for their family
without having the expense of the medical family plan.

Rate is locked in

CIGNA would give an overall discount for combining the medical and dental coverage
Keeping same coverage for medical and adding dental, the yearly premium would be
\$120,876 (\$4,388 increase, down from \$6,908 of a straight renewal of our current)

Increase rate of 3.49%, to \$10,073 monthly

Per Pay Period Employee only rate would remain \$25; +spouse increase to \$382.05; +kids
increase to \$364.19; Family increase to \$846.24.

The same minimal coverage changes –

The only way for an employee to insure their spouse, kids, or family for dental would be to
purchase the family medical plan, which may be cost prohibitive to some employees who
currently purchase the dental separately.

Rate is locked in

Blue Cross Blue Shield

Quoted Employer premium for the year - \$122,576 (4.85% increase to the current CIGNA
premium)

Similar coverage, deductibles, copays, and max out of pocket –

Employees could still opt to take the individual vision and dental coverages, with minimal
increases –

Premium not locked in and could increase significantly, based on final enrollment

United Healthcare

Quoted Employer premium for the year - \$119,366 (2.29% increase to current CIGNA
premium)

Similar Coverage

Employees could still opt to take the separate vision and dental coverages with minimal rate
changes –

Significant increase to Employee deductibles

Increase to max out of pocket for in network and out of network for both individuals and
families –

Increase to copays for both primary care and specialists

Premium not locked in and could increase significantly, dependent on final enrollment

Gerri Sullivan: We have to look at the deductible for the employee on top of the cost from the city. If the deductible is too high our employees will have a hard time paying for the cost out of pocket. I recommendation would be to stay with what we have currently which is CIGNA for health insurance, Principal dental for dental and VSP for vision.

Manager Cushman: I also think a little stability right now would be good for everyone.

Motion E.4: Direct Ms. Sullivan to make decision		Action: Approved
Moved by: Mayor Wallace	Seconded by: Councilor Hirshberg	

E.5 Discussion and/or Action [Director Harvey]: Authorization for termination of Contract with Yavapai County for "ERATE" [discounted telecommunications and internet access] consulting services.

Motion E.5: Open item for discussion and/or action		Action: Open
Moved by: Mayor Wallace	Seconded by: Councilor Butterworth	

Direct Harvey: Through ERATE we were able to bring fiber to our Library. The gentleman who is our ERATE consultant did not properly do the paperwork. We are not the only one he did not do the paperwork correctly with but we will have to pay for his mistakes. We will be on the hook for \$42,000. I'm working with Century Link to set up a five year repayment plan. I will also be looking for grants to help bring in money to the town to offset the cost. I can't use grants to pay for this but we can get grants for other things which will help the town recover the costs.

Motion E.5:		Action: Approved
Moved by: Mayor Wallace	Seconded by: Councilor Post	

E.6 Discussion and/or Action [Manager Cushman]: Approval to engage First West Properties to manage or sell newly acquired commercial property located at 830 Arizona Street.

Motion E.6: Open item for discussion and/or action		Action: Open
Moved by: Mayor Wallace	Seconded by: Mayor ProTem Johnson	

Manager Cushman: One of the things we're not designed to do as a town is to manage commercial property or sell. Based on a recommendation from our building official he suggested that we go find a commercial real estate company to lease it and perhaps sell it. One of the challenges are is that the price that we paid for that building is way above market price and it's competing against nicer buildings in in better locations. But what's different about First West is the proprietor there. Mr. Frank Morrow is also the executive director of the Sierra Vista Area IDA Industrial Development Association. So, that's something extra that you would get from this commercial real estate company that you might not get from a different one and what IDAs can do is that they can help a business coming in with some of the financing options that of municipal can't do.

Councilor Banks: Should we take this out to bid?

Councilor Hirshberg: A one year contract seems long.

Attorney Benavidez: A one year contract really isn't that long since it takes longer with commercial buildings. I believe Mr. Cushman has done his research and done the direct solicitation.

Councilor Post: Six percent fee is really fabulous for a commercial building.

Manager Cushman: I will provide updates.

Motion E.6:		Action: Approved
Moved by: Mayor Wallace	Seconded by: Councilor Post	

- F. **Manager's Report:** The finance manager put in her resignation so we are looking for a new finance Director. We have people who have stepped in to help do the many jobs that need to be done. I had a very good meeting last week on Code enforcement with Chief Bidon, Dr. Johnson and Chief Thies on cleaning up the town. On the economic development side I have received some calls interested in the town. There will be a COVID testing blitz through Chiricahua Mobile Health Clinic on June 4th at 7am-9am in the Senior Center parking lots.
- G. **Items to be placed on future agendas:** Executive session to discuss all the changes that are happening
- H. **Reports of Current Events by Council:** Councilor Butterworth the SVMPO meeting. Councilor Banks: That was a good meeting with some discussion on lowering the speed limit through the Town. We also had the Emergency Signal kickoff meeting today with almost everyone who is working on the project. We are talking about doing a ground breaking for the Signal. Mayor Wallace: We are still operating under the COVID orders, I will be looking through everything and maybe doing another proclamation. I am looking to going back to council chambers for our next meeting. I want do address a comment from a resident who asked why we're not wearing masks. It is too hard to hear us without the masks and we want to make sure everyone can hear us and to make sure we are being transparent.

I. Adjournment

Motion: to Adjourn		Action: Approved
Moved by: Mayor Wallace	Seconded by: Councilor Hirshberg	

Meeting Adjourned: 8:37 pm

Approved by Mayor Johann R. Wallace on June 11, 2020.

Mr. Johann R. Wallace
Mayor

Attest: _____
Ms. Janine Rustine,
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 May 28, 2020. I further certify that the meeting was duly called and a quorum was present.

Ms. Janine Rustine,
Town Clerk