



# TOWN OF HUACHUCA CITY

The Sunset City

**HUACHUCA CITY TOWN COUNCIL  
PUBLIC MEETING NOTICE**  
**July 09, 2020 AT 7:00PM**  
**COUNCIL CHAMBERS**  
**500 N. GONZALES BLVD.**  
**HUACHUCA CITY, AZ 85616**

## 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: 7:00pm**  
**The Pledge of Allegiance was led by: Mayor Wallace**  
**Invocation was led by: Elder Thomas**

## Roll Call

<b>Individual</b>	<b>Position</b>	<b>Present</b>	<b>Absent</b>
Johann Wallace	Mayor	X	
Donna Johnson	Mayor Pro-Tem	X	
Debra Trate	Councilor	X	
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	X	

**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 Council meeting held on June 25, 2020.
- C.2** Consider approval of the minutes of the Council Work meeting held on June 25, 2020
- C.3** Consider approval of the minutes of the Council Public Hearing held on June 25, 2020
- C.4.** Consider approval of the Payment Approval Report in the amount of \$ 219,533.15

<b>Motion C: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Butterworth</b>	

Mayor Pro Tem Johnson states that she hopes that council members look at the payment approval and don't take it for granted and that they ask questions if they don't understand something.

Mayor Wallace states payment approval amount is \$219533.15 and that includes the payments to Whetstone Fire District and Seacom.

<b>Motion C: Approve the Consent Agenda</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

**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. Manager and/or Director reports**

**E.1. Financial Condition Report [Manager Cushman]**

Total revenues since June 25, 2020, was \$117,000.00 and total expenditures including accounts payable and payroll were \$116,000.00.

The expenditure payments report allows council to see where the money is going.

Municipal debt is also included at \$630,569.59.

Total Balance of all accounts as of July 9, 2020 is \$4,524,520.37.

Total bank balance as of July 9, 2020 is \$1,084,655.90.

Total balance of Investment Accounts as of May 21, 2020 was \$3,439,864.47. June statements have not come in yet.

There is also a financial map of all accounts that we have, and accounts we should make. We are paying about \$500.00 per month in bank fees for having all of these accounts. We could consolidate accounts to reduce or eliminate these fees. A line of credit should be something that is considered to help with covering shortages from anticipated revenues. It should also be looked into who has access to view the accounts and who has access to move funds amongst accounts. None of the accounts had fraud protections on them so fraud protection has been added to protect us from that.

**E.2. Town Manager Report [Manager Cushman]**

Manager Cushman begins with an apology to council for a mistake that was published and sent out in the water bills. It was not stated the right way about the water bills. The Mayor passed a resolution that during the COVID we will not be trying to collect on that, however it was written in a way that made it seem like we are trying to collect. Things will be tightening up regarding the approval process to make sure things are stated the right way. Just to inform council right now \$17,666.00 are delinquent on the water/sewer accounts alone.

Manager Cushman would like feedback from council about what they would like included on his 100 day report.

Manager Cushman advised of the International City Managers Association and how this allows a look at what good management of a municipality looks like.

We are still in the process of submitting for FEMA and Arizona CARES grants.

**F. 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.*

**F.1. Discussion and or/Action [Town Attorney]:** The Council might vote to go into executive [closed] session, pursuant to A.R.S. 38-431.03(A) (3) & (4), for legal advice and consultation concerning the water rights adjudication in Maricopa County Case No. W1-11-0245 ["In Re the General Adjudication of All Rights to Use Water in the Gila River System and Source"].

<b>Motion F.1: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

<b>Motion : Enter into Executive Session</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

Entered into Executive Session at 7:15pm.

<b>Motion : Close Executive Session</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

Executive Session Ended at 7:41pm.

**F.2 Discussion and/or Action [Karen Lambertson]: Bus Line** – Ms. Lambertson, the Administrator of the Sierra Vista Metropolitan Planning Organization (SVMPO), will address the Council concerning the status of the regional public bus line.

<b>Motion F.2: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Trate</b>	

Ms. Lambertson advised that in 2016 our 5310 state funded vans were parked due an Administration breakdown at our level. This issue was addressed in 2018 by applying for a legacy grant in which the town asked for two years of funding in the amount of \$100,000.00, and received one year of funding in the amount of \$50,000.00. Many decisions have to be made about matching funds, routes, stop locations etc.

Right now Seago, Manager Cushman, SVMPO and the Douglas Rides folks are trying to figure out next steps so that a plan can be brought before council as to how this can be made to work.

Two studies related to transit and specifically this town have already been approved, and should begin being implemented in approximately two months.

The Legacy Foundation is being very understanding.

Mayor Pro Tem Johnson wanted to know if volunteers could drive the busses, they can as long as they have proper training and insurance.

Mr. Halterman asked about mileage requirements, and Ms. Lambertson states as long as they are running well they could be used.

Mayor Wallace asked who would manage this, and in the agreement it was stated that the Town Manager would. Responsibility could be divided out based on who should be handling each part such as maintenance and finances. Mayor Wallace pointed out that it is completely possible financially. He does not want this drug out any longer than necessary. Before the bus was run on about \$65,000.00 and so if the trips are cut back to 3 days or even 2 days a week, \$50,000.00 should cover it.

Councilmember Trate asked who would deal with the paperwork that can amount to nearly a full time job including going to meetings and it was stated by Mayor Wallace that an Office Manager was just hired.

Manager Cushman stated that if there was an agreement with qualified vendors that we could recommend people to use if the bus is not running when they need it that might be beneficial as well.



Councilmember Butterworth asked if there were specific spots already decided on for stops and bench placement/signage. Mayor Wallace stated that Mike Norman had been a source for benches in the past. Ms. Lambertson advised that he is retired now and Richard Cayer is the interim.

No action to be taken.

**F.3 Discussion [Director Howe]: Financial and Economic Overview of Landfill-** Director Howe will give a presentation on the Financial and Economics of the landfill.

<b>Motion F.3: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Banks</b>	

Huachuca City Landfill Enterprise Fund  
S.W.O.T. Financial Analysis

**STRENGTH:**

1. **Generates positive cash flow.**
2. **Self Supporting Enterprise Fund**
3. **Contributes in excess of \$500,000.00 annually to the Town General Fund**

**Weakness**

1. **Annual Closure Cost Commitment is financial strain on City.**
2. **Trust fund not invested**
3. **City’s level of financial commitment to re-invest in Personnel**
4. **No active marketing plan to increase customers and revenues**

**OPPORTUNITY:**

1. **Invest Trust Fund to help eliminate annual contributions from available operating capital.**
2. **Increase wages to keep and attract qualified operators and increase productivity and Attitude**
3. **Develop marketing plan to attract new business**
4. **Obtain Expansion permit**

**THREAT:**

1. **Non-Compliance could result in fines**
2. **Cost to externally dispose of items received that are in violation of our operating permit.**
3. **Commitment to properly maintain inventory of equipment.**
4. **Rate structure is not flexible to negotiate price for special projects and type of waste.**

Huachuca City Landfill Enterprise Fund  
S.W.O.T. Operational Analysis

**Strength**

1. **Employees**
2. **Landfill capacity (Projected Life)**
3. **Operating hours**
4. **Location**

5. Rates
6. Consistent predictable revenues to support operations

### **Weakness**

1. Skilled operator pay scale
2. Physical condition, slopes, past inconsistent cell construction
3. Foul weather access, road conditions,
4. Dirt hauling challenges for daily cover
5. Heavy equipment Preventative maintenance
6. Staffing level, road construction, litter control,
7. Time and availability of computers for online Safety training program.
8. Historical lack of guidance in proper and compliant Landfill Operation and cell construction both engineering and environmental.
9. Administrative and Political policy and compliance oversight

### **Opportunity**

1. Ability to attract new business.
2. Must secure expansion permit (asset)
3. Continue to explore waste to energy technology.
4. Seek surplus vehicles and equipment
5. Explore maintenance agreements for non-warranty preventative and unscheduled emergency maintenance
6. Explore ADC alternatives.

### **Threat**

1. Improper construction... pits, valleys, and soft spots.
2. White goods & refrigerant release to atmosphere
3. Tires and Automobile parts
4. Future cover material shortage
5. Support for rejecting non-compliant materials
6. Lack of historical Policy enforcement
7. Current ADEQ non-compliance conditions

## OPERATIONAL & FINANCIAL THREATS

### “PROHIBITED ITEMS”

**We cannot completely realize opportunities until we eliminate or**

### **mitigate THREATS**

Tires are a real threat to Huachuca City Landfill:

1. Potential daily fines from ADEQ... Permit Violation
  2. Fire; Tires burn hot, give off toxic smoke and fumes, and are difficult to extinguish
  3. Vector attraction; Snakes, rats, skunks, spiders, etc.
- **TIRES:** We have 800+/- car and truck tires onsite. We are not permitted to accept tires.
  - It will cost \$64.00 / ton for the county WRL to take our tires.
  - It will cost \$100.00 per trip for J&D to transport tires to the landfill Min 3 trips w/ 40 yd roll-off.
  - It will take labor and time to sort and load, Time and labor not readily available with current staffing and operational requirements.

**Cochise County Western Regional Landfill is the only permitted tire disposal site in the county and they will take up to 5 tires from each county resident per year... FOR FREE!!**

- **White Goods; Household Appliances, Refrigerators, Freezers, Stoves, etc. Appliances with refrigerant, when discharged to the atmosphere violates a number of environmental laws, and our Permit.**

**We have been accepting these and other prohibited items for years with no oversight and policy enforcement. This creates a condition of liability exposure that can be eliminated with policy enforcement support from Administration and Policy makers.**

- **Daily Cover Material; Our ability to excavate and stockpile soil for daily cover is limited by the size of the machine we own and use. The available soil for cover, in my estimation, is not sufficient for the life expectancy of the landfill.**
- **We need to explore additional cost effective alternative daily cover options and/or bring dirt from outside sources.**
- **Litter control; Windblown trash is an ongoing non-compliance issue. This has been a major compliance issue since the inmate labor has been pulled away due to COVID 19.**



- **This is a major permit violation, even though ADEQ has been empathetic due to lack of inmate labor statewide.**
- **The lack of inmate labor does not relieve Huachuca City of the Statutory responsibility to maintain compliance with the conditions of the operating permit.**
- **I have looked into County and Town adult probation for community service probationers without success.**
- **I am now soliciting proposals to pick up litter through the RFP process.**
- **Worst case scenario: Staff and Officials work party in the near future.**

Mayor Pro Tem Johnson asked about where the inmates worked and how much of the cleanup they did. Mr. Halterman answered that they did a lot of the cleanup as they couldn't use the equipment. She also asked about the dirt cover, and how Sierra Vista had told us we could have as much as we want. They plan to use the dirt since we did not go get it sooner. We will still be able to get whatever is left over.

- **Safety Training: We have few resources to address the need for constant and ongoing Safety training.**
- **The Town has invested in the cost of online Safety Training through SafePersonnel for the employees.**
- **This is a good source for necessary workplace and OSHA required Safety training..... However...**
- **We do not have the computer availability in our work areas to get this training to our employees.**
- **Each training module has a 9 to 70 minute video followed with a test of the material in the video. Issued printed certificate of completion upon passing each test.**
- **In the Landfill Division alone we need to have 3 to 5 hours a month available for this training to accommodate the employees.. If we had the computer availability.**
- **If we ever had an OSHA reportable incident, the first thing they would request is the Safety Training records of all employees**

**Rate structure needs flexibility at the administrative level to negotiate special rates for new projects and different types of waste. (C&D)**

**The cost to process, compact and cover Construction and Demolition material is 35 to 50% more than the cost to process, compact, and cover MSW, depending on equipment used, and other factors.**

**Case in Point: WM border wall disposal contract. WM agrees that this material has increased cost to process and is willing to pay \$51.00/ton... WM is under contract with the town as a bulk hauler at \$35.00 / ton. We have received over 250 tons of Border Wall waste and because of this lack of rate flexibility we have lost over \$4,000.00 in a less than 3 weeks. This could translate into more than \$40,000.00 in lost revenue for the duration of this special project.**

#### **Investment into Employees:**

**Right now we have 3 capable and hard-working Landfill Equipment operators and 2 fee shed attendants. They are the key to the successful operation of the landfill.**

**Huachuca City Landfill's PayScale for skilled heavy equipment operators is not commensurate with local and Rural pay-scales for this type of skilled operators. There is a lot of responsibility and accountability attached to these operator positions.**

**This is the Town's largest revenue generating Enterprise fund and is also the Town's largest liability potential with it's regulatory and statutory requirements. Employee complacency and turnover can be a significant part of the liability picture.**

**In order to maintain consistent and compliant production and good and safe working attitudes, Huachuca City needs competent, focused, and content employees. We also need to be able to retain the employees that we have time and training invested in.**

#### **Landfill Closure and Post Closure Costs**

**Annual Closure Cost Commitment is a financial strain on Huachuca City's cash flow and ability to supplement other programs, projects, or services.**

**The annual commitment of over \$110,000 to this Trust account could be better used if we did not have to pay this every year.**

**Through my investigation into this trust, and historical funding of it, I have found, and ADEQ has confirmed, that we are overfunded.**

**This has bought us time to explore investment potential.**

**Manager Cushman has recognized this and is working to find a way to legally invest this money to become self supportive and free up most or all of our annual financial commitment to this trust account and return it to useable capital for Huachuca City.**

#### **ADEQ Financial Assurance for Closure and Post Closure for 2020**

**As of this pay in year 2020 we are required to have \$2,323,811.96 in our closure / post closure trust account. We actually have \$2,426,547.52 in this account. This leaves a surplus of \$102,735.56 after the 2020 pay in requirement. This translates into a credit for next years contribution also.**

**Mayor Wallace states that the money is not to be invested, the landfill money can not be touched. It was secured to make sure that the money will always be there for the landfill.**

Council was aware that the fund is overfunded, they agreed to continue to make payments to stay ahead. He will look back and see if it was council action that determined the over funding.

#### Equipment Type and Condition

816K Compactor: Nearly new and still has some warrantee left. This machine is sized properly for this landfill. Its Manufacturers productivity rating is 90 tons per hour... realistic rating 50 tons per hour. We take 100 to 120 tons per day at Huachuca City Landfill.

D6T Bulldozer: Nearly new and still has some warrantee left. This machine was purchased with a landfill package and is properly sized for this landfill.

613 Scraper: This machine has no debt but is undersized for our dirt hauling needs. Runs well but needs to run nearly all day every day to keep up with cover demand.

D8 Bulldozer: Fair condition and needed for road restoration, heavy pushing, ripping the pit, and moving dirt to access for cover material.

966 D Front End Loader: Leaks major amounts of hydraulic fluid. This is a necessary piece of equipment for this operation but needs major work done. In violation of environmental laws

112 Cat Road Grader: necessary piece of equipment for approach and perimeter roads, bar ditches for re-establishing drainage, and final grades. This grader has been OOC for quite some time with a broken arm.

Water Truck: Not Reliable, Undersized. (No help on recent landfill fire) Need reliable 5000 gallon with PTO front and rear spray nozzles

Roll-Off Truck: Adequate for internal roll-off shuttle from residential transfer station to daily working face.

#### Landfill Expansion Permit:

Huachuca City has already paid for, and has in our hands, the Hydro-Geological study and report necessary to apply for the permit needed to start the expansion.

I have confirmed with our Environmental Consultant, Hugh Walker, that there are only 2 steps left to get the permit for the expansion area.

1. Submit to ADEQ for an Administrative Review.

2. Submit To ADEQ for a Technical Review

Cost for both reviews and Consultants input... <\$25,000.00

This Permit is a Significant ASSET ! It never expires and it instantly increases the value of the landfill.

In order to continue to realize the financial benefits of this landfill that we have come to expect, well into the future, the identified Threats and Weaknesses must be mitigated, Strengths must be enhanced, and the Opportunities must be explored... sooner than later!

Mayor Wallace commended Director Howe for his presentation.

Discussion only.

**F.4 Discussion and/or Action [Director Howe]: Contract with Waste Management of Arizona.**  
 The Council will be asked to approve a landfill rate agreement for deposit of waste from the Border Wall Project at the Town's landfill.

<b>Motion F.4: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Hirshberg</b>	

Mayor states this needs to be approved because it will get us more money to help pay for the processing. The contract looks good.

<b>Motion F.4: Approve the contract with Waste Management.</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

**F.5 Discussion and/or Action [Town Clerk]:** Authorization to correct a scrivener's error on adopted Resolution 2020-11 – a resolution adopted by the Town Council on June 25, 2020, proposing an extension of the Town's alternative expenditure limitation.

<b>Motion F.5: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

Mayor Wallace asks what needs corrected, Town Clerk advises that it should say 2016 instead of 2020. Mr. Benevidez wanted to make sure since it is an official document, council approves this.

<b>Motion : Acknowledge Administrative Error and Accept the Correction.</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor</b>	

**F.6 Discussion and/or Action [Manager Cushman]: Executive session** – The Council might vote to convene in executive [closed] session for employment matters, pursuant to A.R.S. 38-431.03 (A)(1), to conduct an exit interview with departing Town Clerk, Janine Rustine.

<b>Motion F.6: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

<b>Motion : Move to Closed Session</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Mayor Pro Tem Johnson</b>	

Executive session began at 8:47pm

<b>Motion : End Closed Session</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Butterworth</b>	

Executive session ended at 9:04pm.

**F.7 Discussion and/or Action [Manager Cushman]: Appointment of Interim Town Clerk** – The Council is required to appoint a clerk to fill the vacancy created by Ms. Rustine's departure.

<b>Motion F.7: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Butterworth</b>	

Mayor Wallace asks about applications, Manager Cushman advises there have been inquiries but no formal resumes or applications.

Mayor Wallace states that Manager Cushman will be appointed as Interim Town Clerk in order to fulfill the legal requirements.

Mayor Pro Tem Johnson suggests that the new Office Manager be appointed. Councilor Banks advises that this can be changed at any time.

<b>Motion : Appoint Manager Cushman as Interim Town Clerk</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Hirshberg</b>	

Motion passed 4 yes, 2 no votes.

**G. Items to be placed on future agendas**

Director annual reports.  
Landfill Expansion.  
CDBG if necessary.

**H. Reports of Current Events by Council**

Councilor Trate advises of List to Lobby people to vote for her for the AAPR  
Councilor Banks had a zoom meeting for Cochise Connection  
Mayor Wallace states he has received a lot of great feedback about the fireworks

**I. Adjournment**

<b>Motion :Adjourn</b>		<b>Action: Approved</b>
<b>Moved by: Mayor Wallace</b>	<b>Seconded by: Councilor Hirshberg</b>	

Meeting Adjourned: 9:12pm

Approved by Mayor Johann R. Wallace on June 25, 2020.

  
Mr. Johann R. Wallace  
Mayor

Attest:   
Ms. Suzanne Harvey,  
Interim 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 June 11, 2020. I further certify that the meeting was duly called and a quorum was present.

A handwritten signature in blue ink, appearing to read "B. Thorpe", written over a horizontal line.

Ms. Brandye Thorpe,  
Office Manager

