



# TOWN OF HUACHUCA CITY

The Sunset City

## MEETING MINUTES OF THE HUACHUCA CITY TOWN COUNCIL

**April 8, 2021 AT 7:00 PM**

**COUNCIL CHAMBERS  
500 N. GONZALES BLVD.  
HUACHUCA CITY, AZ 85616**

**SPECIAL NOTICE: BY NEW PROCLAMATION OF THE MAYOR, DUE TO SIGNIFICANT PROGRESS IN THE BATTLE AGAINST THE COVID-19 PANDEMIC, THE MAYOR AND COUNCIL WILL RESUME IN-PERSON PUBLIC MEETINGS, BUT WILL CONTINUE TO OFFER A REMOTE ACCESS FORMAT. MEMBERS OF THE PUBLIC MAY COME TO TOWN HALL TO ATTEND THESE MEETINGS OR THEY MAY ATTEND BY GOING TO [OR CALLING TO]: <https://www.facebook.com/HuachucaCityAZ> or 520-844-2096. IN ADDITION, THE MAYOR HAS RESUMED IN-PERSON CALLS TO THE PUBLIC AT THESE MEETINGS. HOWEVER, MEMBERS OF THE PUBLIC MAY STILL CHOOSE TO SUBMIT WRITTEN COMMENTS TO THE TOWN CLERK TWENTY-FOUR HOURS IN ADVANCE OF THESE MEETINGS.**

**ADVANCE NOTICE OF ALL 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 7:00pm**

- a. Pledge of Allegiance

**Led by Mayor Wallace.**

- b. Roll Call and Ascertain Quorum

**Roll Call.**

**Present:** Johann Wallace, Cynthia Butterworth, Christy Hirshberg, Debbie Trate, Jean Post, Suzanne Harvey (Not voting), Brandye Thorpe (Not voting), Thomas Benavidez, Attorney (Not voting).

**Absent:** Keith Settlemeier.

- c. Invocation

**Led by Elder Thomas.**

*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, including the executive sessions minutes, of the Regular Council meeting held on March 25, 2021.

**C.2** Consider approval of the Payment Approval Report.

**Motion:** Items on the Consent Agenda, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

**Motion:** 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 [Suzanne Harvey]:** Presentation of the results of the financial audit conducted by Hinton Burdick for fiscal year 2020.

**Motion:** Item E.1, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Cynthia Butterworth.

Steven Palmer of Hinton Burdick presents the findings of the audit:

Independent Auditors Report (pg 1-3)

Unmodified or "clean opinion"

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

One significant deficiency noted.

One compliance item noted.

State Legal Compliance Report (pg 83)

- Unmodified or "clean opinion"

We also submitted a letter to management communicating other items needing correction that are of less significance.

Government Wide Financial Highlights

Total net position (equity) was \$9,937,754 at June 30, 2020.

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

Net position decreased by \$144,212 during fiscal year 2020 (excluding adjustment made for Camp Naco assets).

The net position of governmental activities increased by \$198,281.

The net position of business-type activities decreased by \$54,069.

Governmental capital assets decreased by \$198,333 (net). The Town reported \$34,724 of additions, disposals of \$104,809, and \$233,057 of depreciation expense.

Business-type capital assets decreased by \$217,768 (net). The Town reported \$45,228 of additions, disposals of \$48,522, and \$262,996 of depreciation expense.

Total Governmental long-term debt was \$505,677 at June 30, 2020.

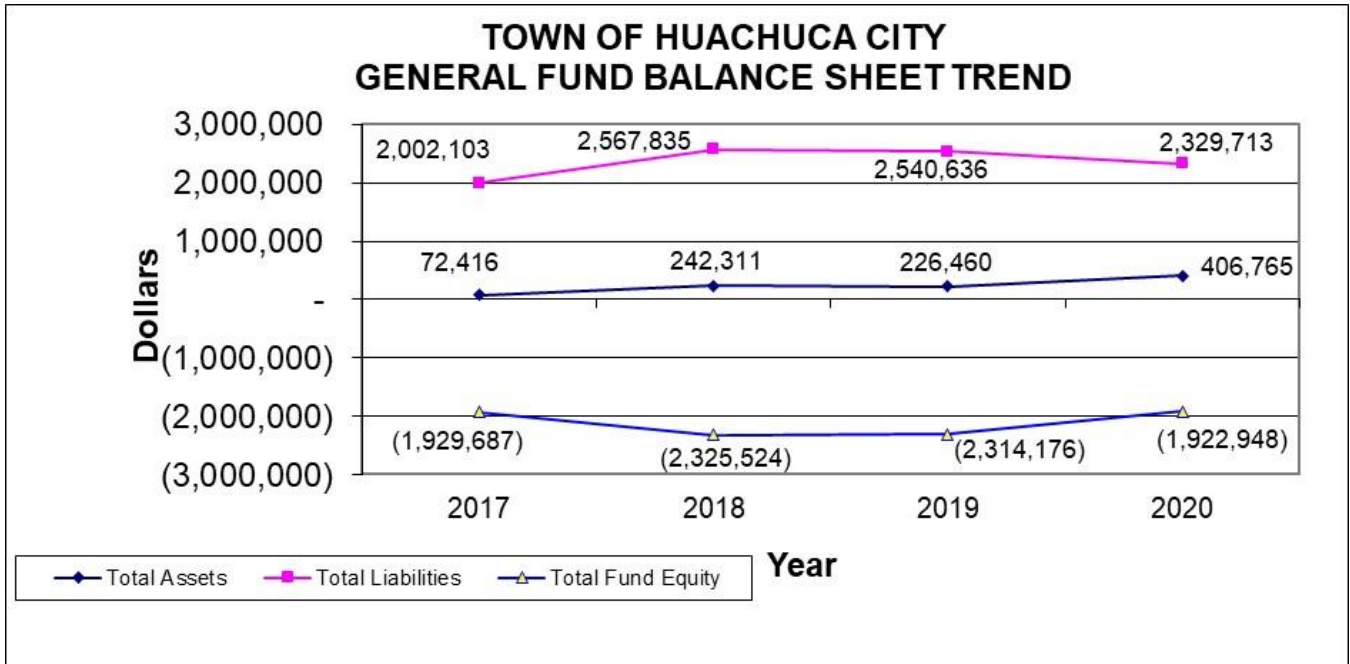
- \$22,849 – Compensated Absences
- \$124,828 – Net Pension/OPEB Liability
- \$358,000 – Excise Tax Revenue Bonds

Overall, governmental long-term debt increased by \$134,221.

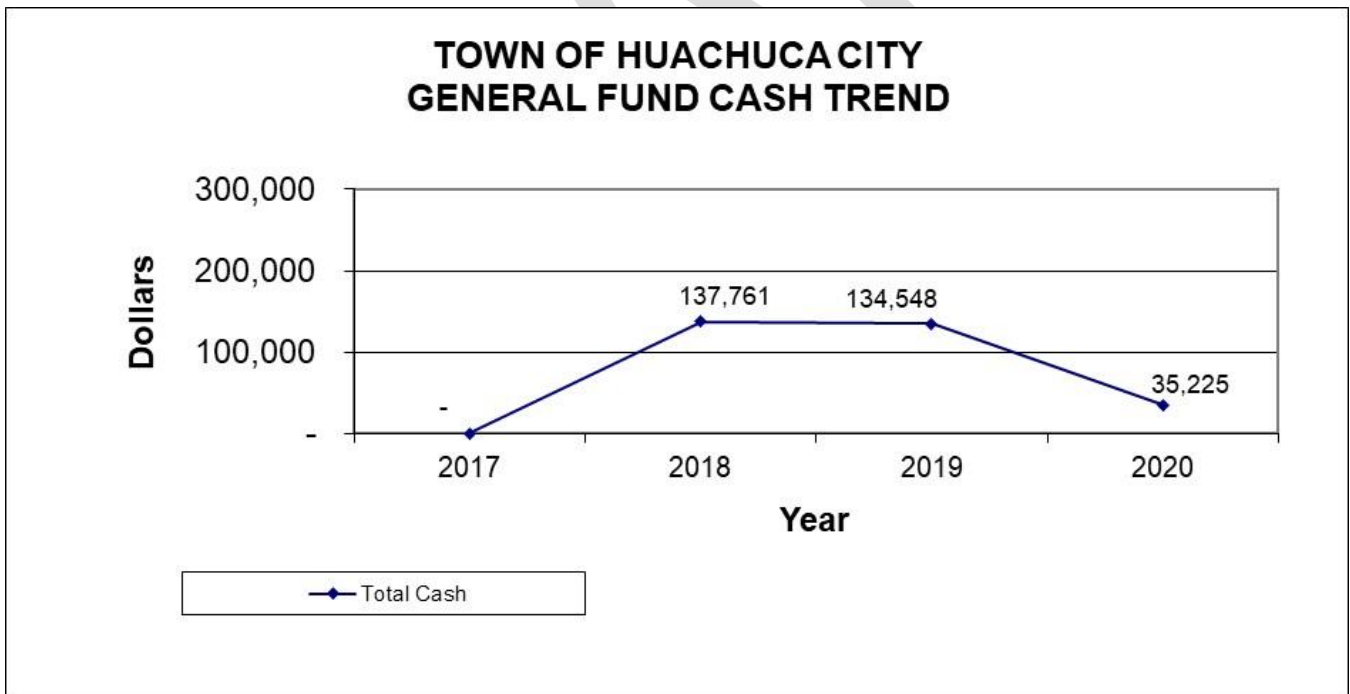
Total Business-Type long-term debt was \$3,579,756 at June 30, 2020.

- \$532,793 – Capital Leases
- \$16,134 – Compensated Absences
- \$3,030,829 – Landfill Closure/Postclosure

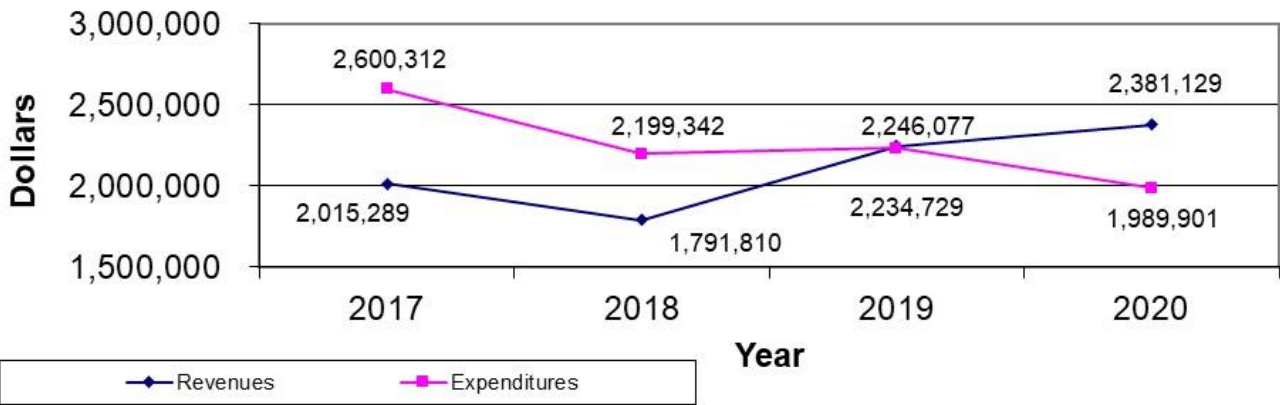
The Town's Business-Type long-term debt increased by \$40,089.



The amount due to the Landfill Fund decreased from \$2,448,215 to \$2,213,281.



**TOWN OF HUACHUCA CITY  
GENERAL FUND  
Revenue and Expenditure Trend**



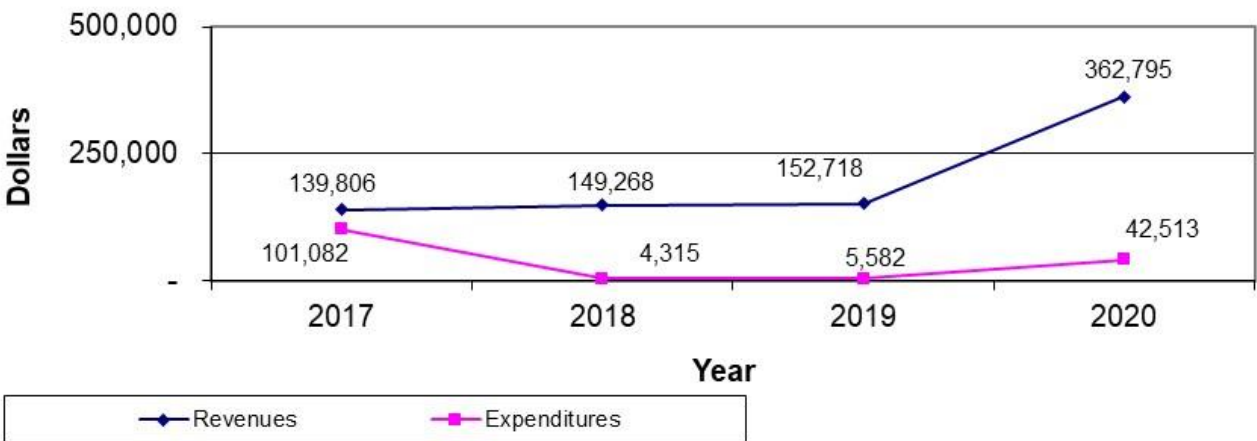
Fiscal year 2020 Town and State sales tax revenues increased by a combined \$109,185.

Mayor Wallace: The one thing I want to add is to make it perfectly clear, when you are stating a 1.9 million dollar deficit, that's not saying that the Town overspent by 1.9 million dollars during the fiscal year that this is covering.

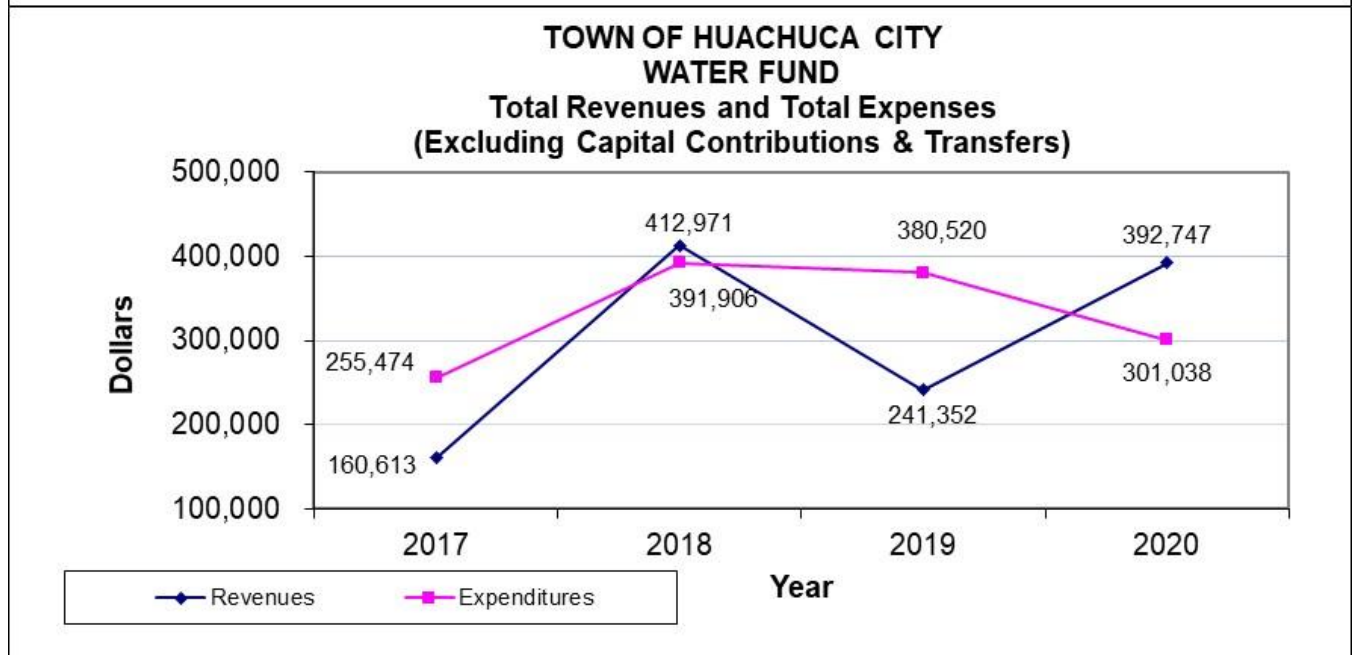
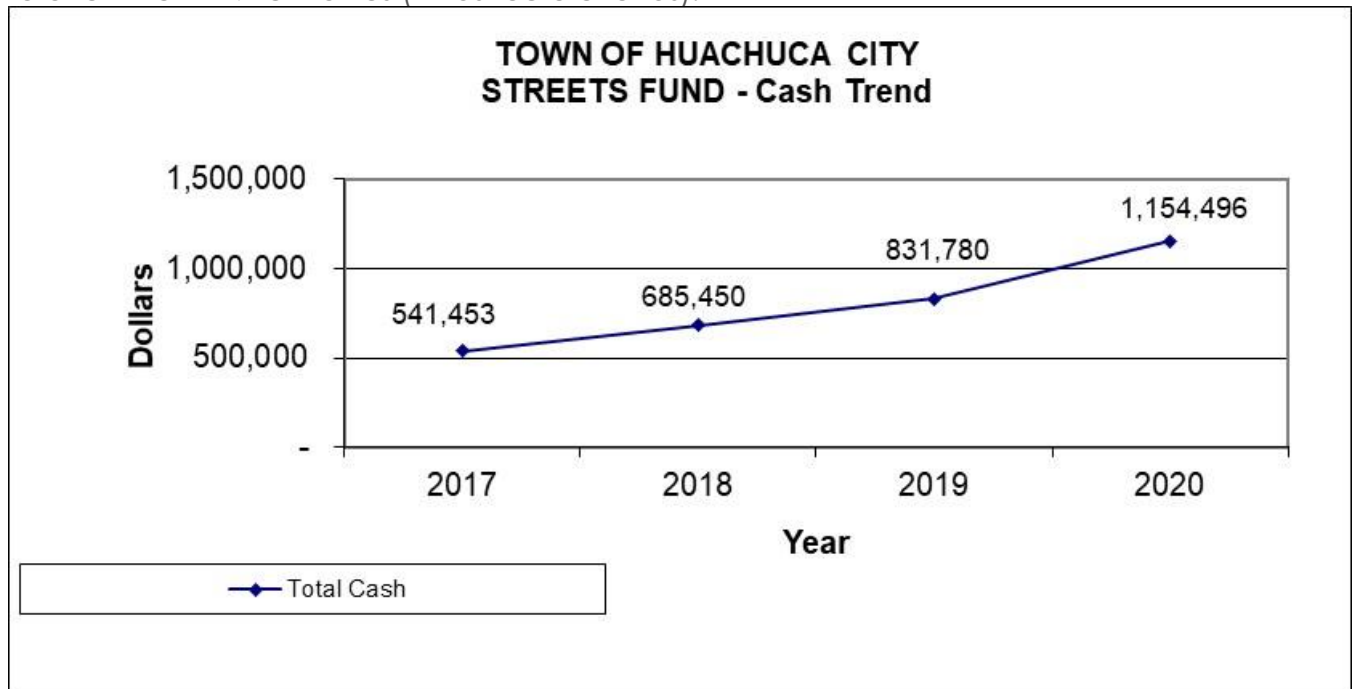
Steven Palmer: That is an accumulation over many, many years.

Mayor Wallace: Yes. That is what we have been trying to get out of, and thanks to this council and staff, that is what has made that downturn. Again, to be clear, we did not overspend by 1.9 million dollars.

**TOWN OF HUACHUCA CITY  
STREETS FUND  
Total Revenues and Total Expenditures**



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).

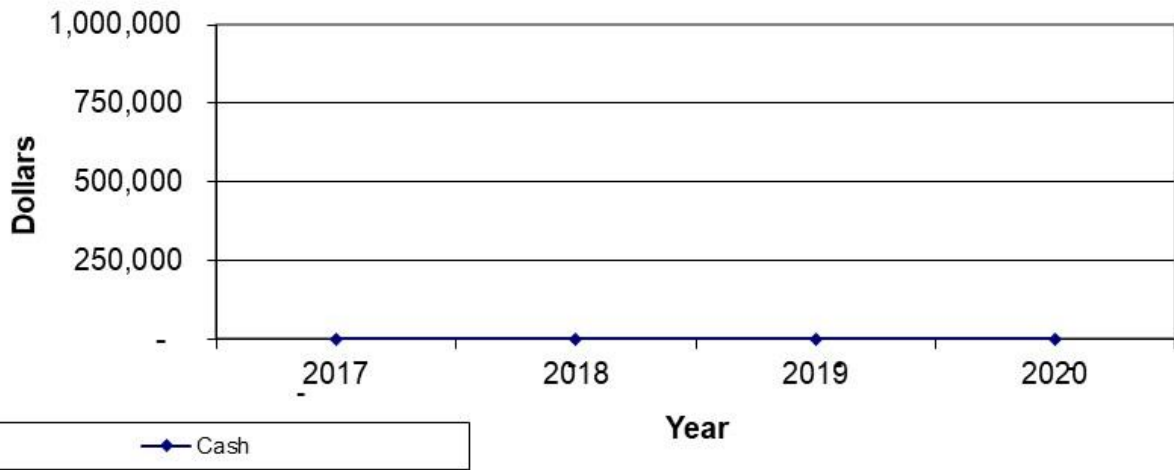


Fiscal year 2020 reported revenues in excess of expenditures. As a result, amounts due to other funds decreased by \$161,027.

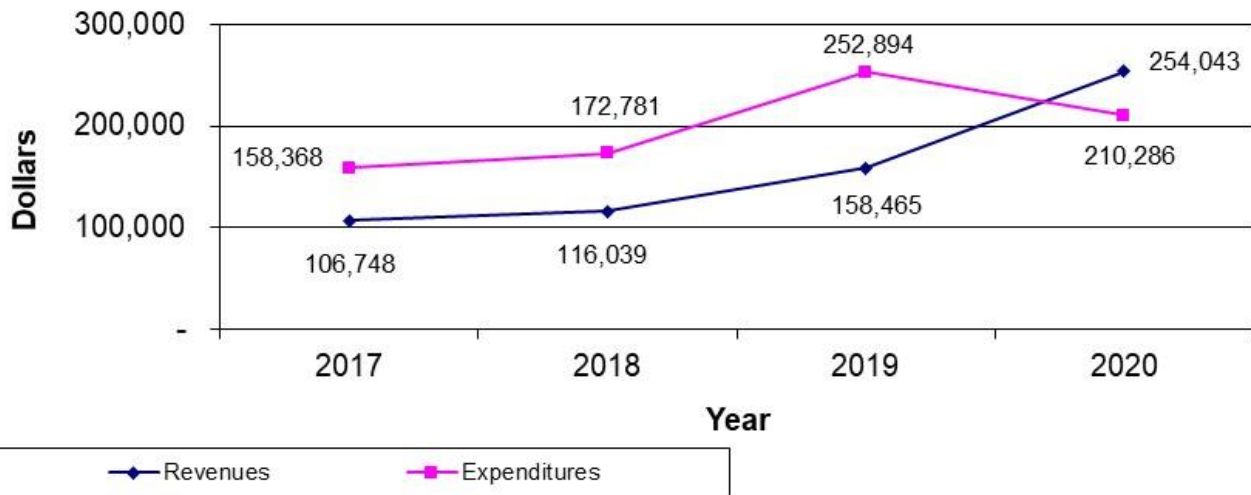
Fiscal year 2018 revenues included \$231k of grant revenues for the water tank project.



**TOWN OF HUACHUCA CITY  
WATER FUND - Cash Trend**

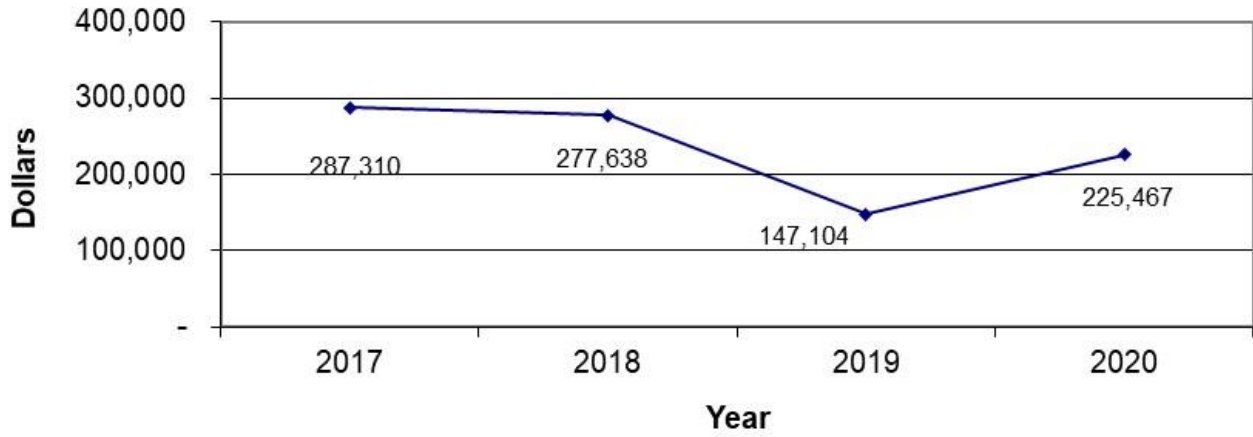


**TOWN OF HUACHUCA CITY  
SEWER FUND  
Total Revenues and Total Expenses**



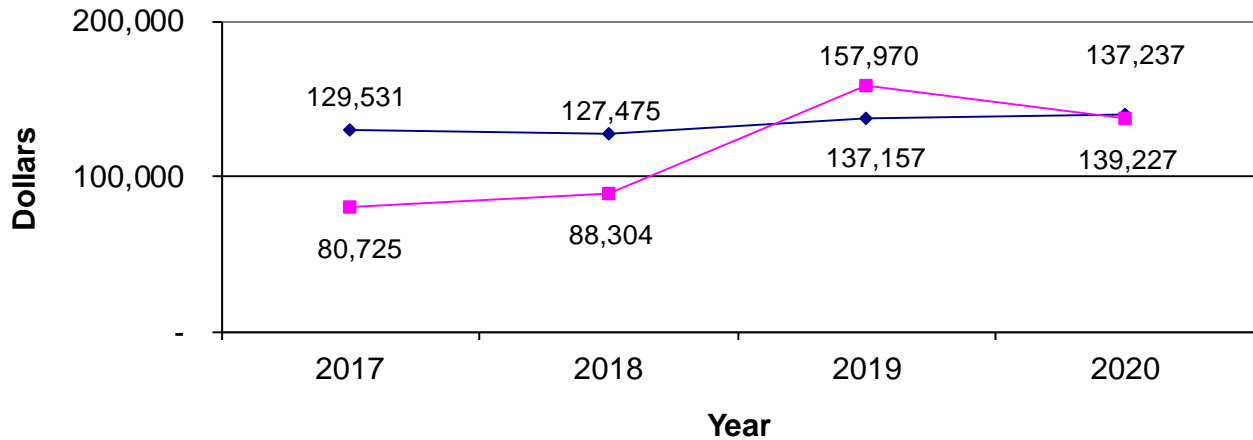
Sewer Fund revenues exceeded expenses by \$43,757.

**TOWN OF HUACHUCA CITY  
SEWER FUND  
Cash Trend**



—◆— Cash

**TOWN OF HUACHUCA CITY  
SANITATION FUND  
Total Revenues and Total Expenses**



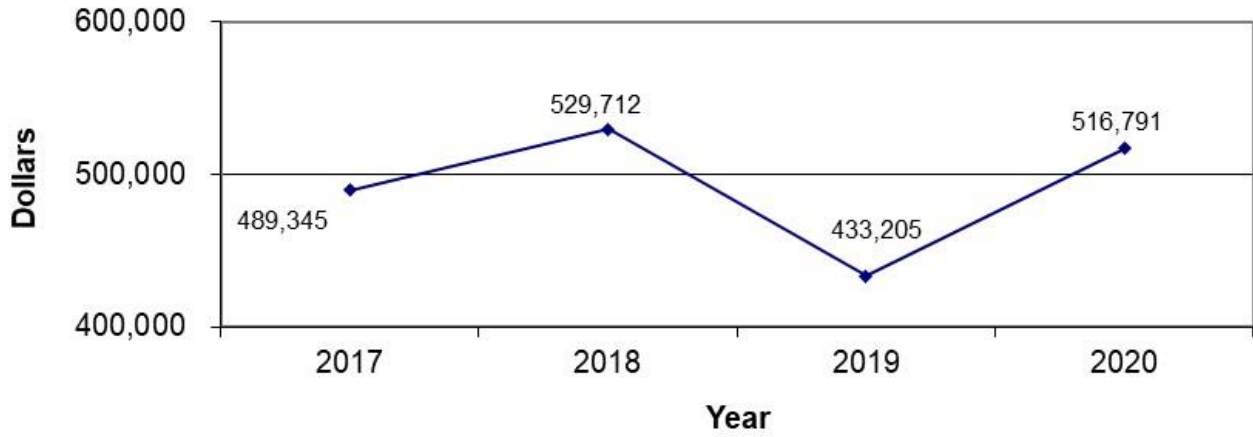
—◆— Revenues

—■— Expenditures

Sanitation Fund revenues exceeded expenses \$1,990.

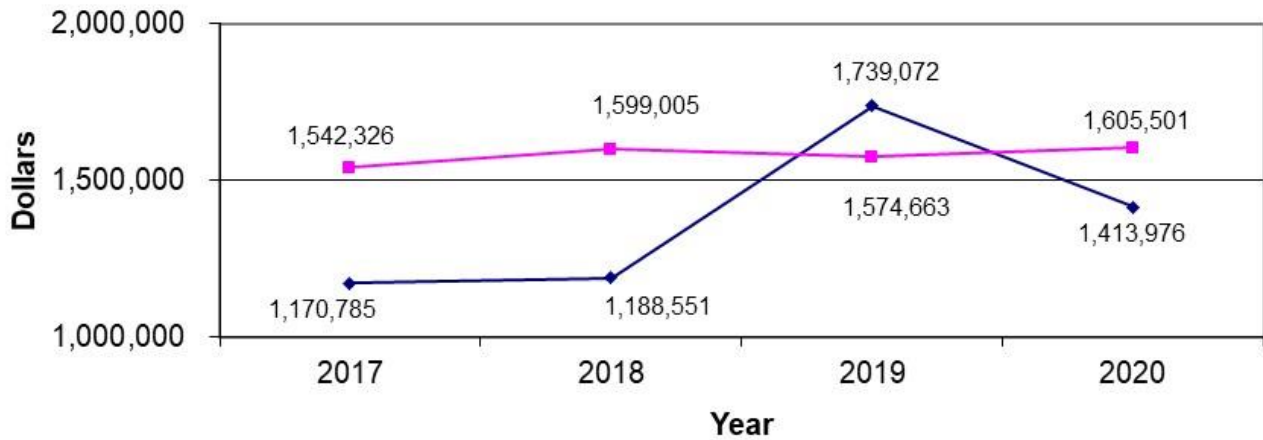


**TOWN OF HUACHUCA CITY  
SANITATION FUND  
Cash Trend**



—◆— Cash

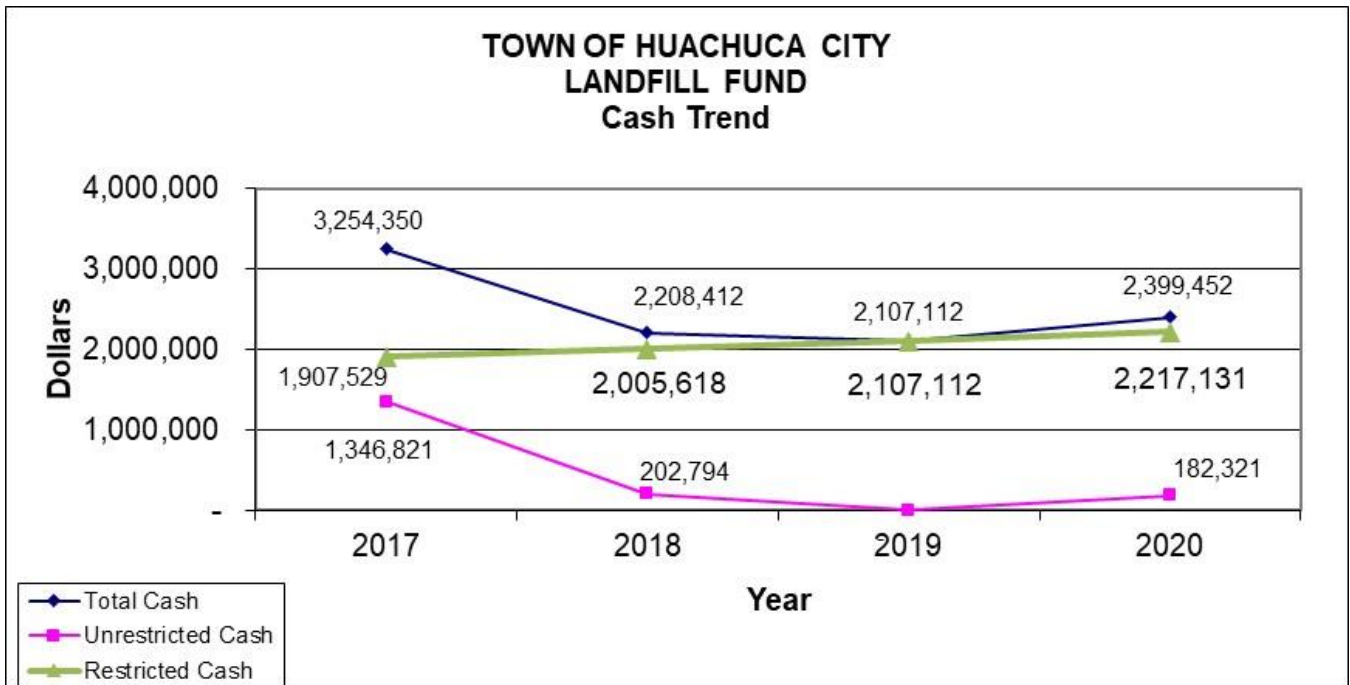
**TOWN OF HUACHUCA CITY  
LANDFILL FUND  
Total Revenues and Total Expenses**



—◆— Revenues

—■— Expenditures

The landfill fund paid \$700k in rents to the general fund. The fund reported \$91k in closure/post-closure expense and \$145k in depreciation expense. In fiscal year 2019 there was a gain on the sale of assets of \$322,981.



Councilmember Settlemyer arrives at 7:16pm. Mayor Wallace provides him with a quick recap.

**Motion:** The results of the audit as presented by Hinton Burdick for fiscal year 2020, **Action:** Accept, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg. Motion passed unanimously.

**E.2 Discussion and/or Action [Suzanne Harvey]:** Memorandum of Understanding with Family Healthcare Amigos which operates a community lending shed ["Lending Shed"] for distributing free durable medical equipment and incontinence supplies to seniors and low-income households in Huachuca City and surrounding communities.

**Motion: Item E.2, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**

Manager Harvey explains that this is just to formalize the partnership to provide these services to our residents. This has been going on informally for some time now. Councilmember Trate points out a couple of changes that should be made to the document where typos exist.

**Motion:** The Memorandum of Understanding with Family Healthcare Amigos with the changes as noted, **Action:** Approve, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg. Motion passed unanimously.

**E.3 Discussion and/or Action [ Mayor Wallace]: Resolution 2021-06, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, ADOPTING A FAIR HOUSING POLICY, MAKING KNOWN ITS COMMITMENT TO THE PRINCIPLE OF**

**FAIR HOUSING, AND DESCRIBING ACTIONS IT SHALL UNDERTAKE TO AFFIRMATIVELY FURTHER FAIR HOUSING.**

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

**Motion: Resolution 2021-06, Action: Approve, Moved by Johann Wallace, Seconded by Debbie Trate.**

**Motion passed unanimously.**

**E.4 Discussion and/or Action [Mayor Wallace]: Proclamation 2021-04 recognizing April as Sexual Assault Awareness and Prevention Month.**

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

Mayor Wallace reads the Proclamation.

**E.5 Discussion and/or Action [Mayor Wallace]: First reading of ORDINANCE NO. 2021-03 AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, AMENDING TOWN CODE CHAPTER 2.20 "COUNCIL PROCEDURE" SECTION 2.20.010 "REGULAR MEETINGS" TO REMOVE THE HOUR OF COUNCIL MEETINGS FROM THE TOWN CODE AND TO ALLOW FLEXIBILITY WITH RESPECT TO MEETING LOCATION; the Council might discuss and take action to change future Council meeting times from 7:00 pm to 6:00 pm.**

**Motion: Item E.5, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

Mayor Wallace explains that especially with the past year and how things have been, there needs to be some flexibility in the time and location of the meetings. He asks Attorney Benavidez if changing the time of the meetings can also be discussed.

Attorney Benavidez advises that the time could be changed now, before the code is changed. Mayor Wallace wants to wait until the code has been changed to change the meeting time.

Councilmember Trate asks why the meeting time is being changed.

Mayor Wallace advises that it is being changed in the hopes of getting more people to come and also because of staff. There is staff that is here all day and on meeting nights that means they are here from 7am until 8-9pm. Six o'clock makes more sense.

Councilmember Trate is just worried because of work.

**E.6 Discussion and/or Action [ Mayor Wallace]: Second reading of Ordinance 2021-01 AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 18 "ZONING," CHAPTER 18.35 "R-1 RESIDENTIAL DISTRICTS," SECTION 18.35.035 "TRAILERS/ACCESSORY VEHICLES" TO ELIMINATE THE REQUIREMENT TO REGISTER PARKING OF TRAILERS/ACCESSORY VEHICLES ON RESIDENTIAL PROPERTY AND TO ELIMINATE THE ASSOCIATED FEE.**

**Motion: Item E.6, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Motion: Ordinance 2021-01, Action: Adopt, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Motion passed unanimously.**

**E.7 Discussion and/or Action [ Mayor Wallace]: Second reading of Ordinance 2021-02 AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 18 "ZONING," RELATING TO THE REGULATION OF RECREATIONAL MARIJUANA, MEDICAL MARIJUANA AND INDUSTRIAL HEMP; SETTING FORTH DEFINITIONS; PROHIBITING MARIJUANA ON PUBLIC PROPERTY; PROHIBITING MARIJUANA TESTING FACILITIES; REGULATING MARIJUANA ESTABLISHMENTS; ESTABLISHING REGULATIONS FOR PERSONAL USE OF MARIJUANA AT AN INDIVIDUAL'S PRIMARY RESIDENCE; AUTHORIZING RETAIL SALES FROM MARIJUANA, MARIJUANA PRODUCTS AND INDUSTRIAL HEMP; REQUIRING COMPLIANCE WITH STATE LICENSING REGULATIONS; PROVIDING FOR PERMIT REQUIREMENTS; ESTABLISHING PURPOSES; IMPOSING FEES; SETTING FORTH VIOLATIONS; AND PROVIDING FOR ENFORCEMENT AND PENALTIES.**

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

**Motion: Ordinance 2021-02, Action: Adopt, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Motion passed unanimously.**

#### **F. Department Director Reports**

**Manager Harvey:** For this month, you will get these at the next meeting. Going forward they will be at the first meeting of the month. CDBG project is ongoing, we are going to take a little bit longer with it because we feel like we need to have a landscaping architect do the design work to make sure it comes out looking the way we want it to. We have gone back to SEAGO and will have to do a change order to be able to get that done prior to starting work. Also, there is some legislation information I will be sending you regarding state income tax and the effect it could have on us as far as the shared revenue. It would result in about a \$69,000.00 reduction for us. The League is asking Mayors and Councils to write to their Senators and the Governor to oppose this piece of legislation. Kudos to the Library because they worked together with the Health Department, Fry Fire and Whetstone Fire and got a lot of folks their vaccines on Friday. It took about three full days to pull it off because they were also helping people register for the two days prior to the event. 185 doses were given to our residents.

**Director Fulton:** It was a hectic week last week, but I got to meet a lot of Library patrons. Cabling project is still ongoing, then the reopening process will begin. It is anticipated to be fully reopened by the 11<sup>th</sup> of May.

**Chief Thies:** Trax system is up and running. New computers are up and running. We were tentatively awarded a \$30,000.00 grant for new radios. Yesterday we went out as a team and did weapons training.

**Dr. Jim Johnson: WIFA sewer pond project is ongoing. New commercial building going up at Mr. Shed. A Tucson firm bought most of the empty houses in lower and are fixing them and flipping them.**

**Matthew Doty: We did get a random inspection from ADEQ today and I would say it went positively.**

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

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

Councilmember Trate: Yesterday, I made introductions with Suzanne and Stephanie to make people in our Town aware of grants that the Chamber has. There is a grant to help home based business get an online presence. There is also a kind of shark tank that they can win office space, marketing, accounting services and things like that.

Councilmember Butterworth: We had the SVMPO meeting. Food distribution coming up on the 16<sup>th</sup>. As part of PACT, I was scheduled to attend the next meeting in Bisbee at the Border Patrol station, however due to a scheduling conflict, Councilmember Post is going to attend the meeting in my place.

Mayor Wallace: We had the SVMPO meeting. Mayor Mueller did step down as the Chair. I am still the Vice Chair. I nominated Rachael Gray, and she is the new Chair.

**I. Adjournment**

**Motion: 7:49pm, Action: Adjourn, Moved by Johann Wallace, Seconded by Christy Hirshberg. Motion passed unanimously.**

Approved by Mayor Johann R. Wallace on April 22, 2021.

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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 April 8, 2021. I further certify that the meeting was duly called and a quorum was present.

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Ms. Brandye Thorpe,  
Town Clerk

DRAFT