



# TOWN OF HUACHUCA CITY

The Sunset City

**MEETING MINUTES OF THE  
HUACHUCA CITY TOWN COUNCIL  
September 28, 2023 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, Cynthia Butterworth, Danielle Cardella, Jeffrey Ferro, Town Manager Suzanne Harvey (Not voting), Town Attorney Thomas Benavidez (Not voting).

**Absent:** Debra Trate, Jean Smelt, Town Clerk Brandye Thorpe (not voting)

- a. 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.*

**C. 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.*

**D. 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 14, 2023.

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.

Councilmember Ferro brings to the Council's attention that in the meeting minutes for item E.6 it says the motion passed unanimously, but there was one abstention. He asked if there was a systemic reason that was not captured.

Manager Harvey answered there was no reason she knew of and that unfortunately Town Clerk Thorpe had an emergency that made her unavailable for the meeting, but assured Council it will look in to.

**Motion:** Approve Items on the Consent Agenda, with respect to the minutes of the Council meeting being corrected to note the one abstention of Councilmember Ferro, **Action:** Approve, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.  
Motion passed unanimously.

## **E. 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 [Manager Harvey]: The Town's auditors, HintonBurdick, PLLC, will present the Town's audit results for fiscal year 2021 -2022.**

**Motion:** The Town's auditors, HintonBurdick, PLLC, Will present the Town's audit results for the fiscal year 2021-2022, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Jennifer greets the Council and begins leading them through a presentation, reminding them that she tends to get through these fast and if they have any questions to just stop her. She goes over the Audit Reports, or financial statements, starting with the Independent Auditor's Report. She was happy to note that the Town got an unmodified pin payment again this year. Toward the back of the financial statements is the Department internal control financial reporting. There was one significant deficiency and one compliance item. They are the same items that were from the 2021 audit, so it's not new. The very last report in the financial statements is your State Legal Compliance Report. This is the report on the HURF Fund and when we look at it, we have to determine whether the expenses that were charged against HURF were allowable. So, the Town had a modification there. The first thing she goes over is the Town's Government Blind Financial Statements. She briefly goes over the two types of financial statements the Town has, explaining that Government Blind are your full accrual statements and then you have your Fund Financial Statement, which for your Governmental Funds are on a current resource focus. She explains the big difference between the two is that the Governmental Funds don't show long term debt and they don't show capital assets.

Beginning with the Full Accrual Statements (with the government as a whole). The Town's total net position, or equity, at the end of the year 2022 was a little over \$9 million. Next, she pulled up on the screen for the Council some condensed statements. She explained that she likes to have these to be able to see comparisons between financial years.

Mayor Wallace asked if she could zoom in on those for them.

Manager Harvey asked if she knew what page number in the packet they were on.

Jennifer answered page nine (9). She then explained what they were looking at on the screen/paper and how it's a handy tool for comparing between years.

Next, they moved on to talk about the Town's Income Statement. She explained that it's the same type of set-up as the one they just looked at, with Government activities, Business activities, and a combined total. Increases and decreases in this area are a good indication of how the Town's doing, if it's improving or deteriorating. There were some outliers in 2022, which she will touch on. The Town's Net position decreased by \$1.2 million during the year. The Net position of Governmental Activities increased by \$122,000, but the Net position of Business-type activities decreased by a little under \$1.4 million. Governmental Capital Assets decreased by \$190,000 Net of depreciation. The Business-type Capital Assets increased by \$155,000 Net of depreciation.

Next, she showed the Council a breakdown of the Town's debts. Governmental long-term Debt totals \$706,000 for 2022. She directs the Council to where the footnotes are for long-term debt in their packets. Compensated assets ended up at \$44,000. The Net pension line had a nice increase since last year and ended at \$229,000. The Tax bracket and bonds were at \$329,000. The Lumen no-payable for the FIDO Project was \$31,000, which she believes gets written off next year.

Next, she talks about Notes Payable, which was formally called Capital Leases, but the name has been changed to Notes Payable. So overall the Town's Governmental long-term debt increased by \$290,000. The Town's Business type long-term debt came to \$3.6 million. She explains that the Town has 1.6 million notes payable, that was leases that got switched over. The Town has \$24, 000 in compensated assets and then we have the landfill closure cost liability

coming in at \$3.2 million. The Town's Business-type long-term debt increased by \$1.2 million. This will tie into some of the other things. There was that WIFA loan that the Town took out to help with those environmental remediation costs for the sewer ponds, this is what caused the large increase.

Next, she shows the Council some graphs that show the General Fund and financial trends. The very top line is the total liabilities, which at the end of the year came to just under \$2.5 million. Of that \$3.5 million, 3.2 million is owed to the Landfill Fund, so \$2.2 million is internal. The next line showed total assets, which ended at \$530,000. The last line showed Fund equity, which was a deficient of \$1.9 million.

14:00 – 31:35

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

**Motion:** Mr. Forsberg will present the Town's financials for the month of August, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Mr. Forsberg greeted the Council and told them that we are now 17% through this fiscal year. Starting with the General Fund, the total revenue for the month of August was \$130,906 with expenditures of \$198,000. For the month of August, the General Fund is in the red by \$67,981. Year to date this fund is \$18,046 in the red. He then went over a couple areas in the General Fund that would help explain these totals.

Mayor Wallace commented that he might have an answer for one of them and went on to explain that the Town had to pay a bill for some police vehicles but is waiting on the government to give that money back. He said that in one of the coming monthly updates they should see it as a major increase in revenue, but it will just be the Feds giving the Town that money back.

Mr. Forsberg agrees that this is one of the big-ticket items causing these numbers and mentions the unrealized gain from the Town's investments. Year to date the Town is -\$25,000 and that continues to be a down market for the Town. He also brings attention to expenses with the City Bus that should be posted to the transit fund.

Councilmember Ferro asks if these issues are because the Transit Fund is still new and we're still figuring out exactly what all goes where.

Mr. Forsberg answers yes.

Next, he talked about the Water Fund. He comments to the Council that the Enterprise Funds are looking really strong right now. The Water fund had a revenue of \$45,355 and expenditures of \$14,598. This fund is in the black by \$30,757 for the month of August.

The Sewer Fund had a revenue of \$25,561 and expenditures of \$11,422. This fund is in the black by \$14,139 for the month of August. Year to date the Sewer fund is in the red as the Town works to balance out the WIFA loan payment.

The Garbage Fund had a revenue of \$12,963 and expenditures of \$13,906. This fund is in the red by \$943 for the month of August.

He was happy to report that the Landfill Fund didn't have any big expenses this month. This fund had a revenue of \$138,383 with expenditures of \$94,871. This fund is in the black with \$43,512 for the month of August. Year to date the Landfill Fund is in the black.

The Council had no questions.

Mayor Wallace commented to Manager Harvey that they need to find out why the Town keeps coming out in the red for the Garbage Fund, as that is not supposed to happen. He would like this to be investigated and if a meeting with Waste Management needs to be called, he said to do it. He wants to know what's going on, whether it's unpaid bills, miscommunication for billing, or whatever it might be, he would like to know.

Manager Harvey commented that there are unpaid bills, but it should be a smaller amount if that was the issue.

Councilmember Ferro commented that this fund coming out in the red is still a fairly new issue, having only been happening in the last few months when it was once very reliable in the black. He recalled double billing being a previous issue.

Mayor Wallace then moves to talk about the unrealized gain saying that we need to basically fix where the money is invested at. He asks if Manager Harvey has found anything that it be put on the next agenda because the longer it takes the more money the Town loses.

Mr. Forsberg reminds the Council that while they just had the Audit report not to get too comfortable as the next audit begins in November.

### **E.3 Discussion and/or Action [Stephanie Fulton]: Approval of a Community Food Bank of Southern Arizona Partner Agency Agreement for the Town to participate in a food distribution program.**

**Motion:** Approval of a Community Food Bank of Southern Arizona Partner Agency Agreement for the Town to participate in a food distribution program, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Director Fulton Greeted the Council and explained that this is regarding an afterschool snack program that would be completely provided by the Community Food Bank of Southern Arizona out of Tucson. They are estimating having thirty (30) children to begin with and if it increases, they can supply more. Right now, we are waiting on what is happening in Washington because that is where they get their funding from, and so we won't know until that is resolved when we'll be able to start the program. She also mentions they were having a possible supplier issue. Director Fulton has enrollment forms, but she explains they don't exactly require every child be enrolled. They just like to see a selection from the community to see who's coming in to take part in the snack program. She tells the Council that once we know when the program is going to start, she will take up more enrollment forms to the school and have them handed out. One of the criteria is that the children must eat the majority of the food on the premises. Everything comes prepacked in a box, shelf stable, and shelf stable mix milk. So, each child will get a box and some milk. It will run for two hours each day on Tuesday, Wednesday, Thursday, and Friday. At the end of the first hour if the children are still hungry and there is food left over, they will be able to get a second serving as well. Director Fulton comments that this is a wonderful program that has been running for a few years now in about 16-17 branches of the Pima County Library. It's been extremely successful. It's attracted a lot more children into the library and to participate in library programs. We will have programs ongoing and available for a majority of that time. Some of it might be passive, like worksheets or it's STEM projects they can collaborate on or Lego club. Other times Coding or Electronics Club. Director Fulton comments that we're very excited and hopefully everything gets figured out in Washington soon so we can move forward with this.

Councilmember Cardella asks if this all happens at the library?

Director Fulton answers yes and that anyone under the age of 18 is eligible to come and get a snack.

Mayor Wallace asks who decides which children are selected for this program?

Director Fulton answers that it's more of a "who came in the door that day" kind of program. She explains that the registration forms are just a way for the program sponsors to better understand the type of children in the community. Saying that we might get a lot of forms back, but they'll only want a small amount to gage to the community.

Mayor Wallace comments he understands.

Director Fulton informs the Council that we will be the not only the first but the only library in Cochise County to be supplied with the Afterschool Snack Program. She is currently trying to coordinate delivery and we have already passed the site inspection. There were some small hic-ups but they have been corrected.

Mayor Wallace says his only comment on this is that when we start doing this, before they want any forms back, we need to confirm what their privacy practices and if we're able to redact any information on these registration forms before they take them back. If they want sample data, then I'd like to be clear on what type of sample data they need so we can redact anything private that they don't necessarily need.

Director Fulton answered back yes sir.

Councilmember Ferro commented that this type of thing is good, because we keep tell higher level governments that we're a low-income community and we need all these different grants to help our people. So, getting something like this helps push that point forward. Shows that we're really like for this help and maybe they should get what they ask for.

**Motion:** Approve the Partner Agreement with the Community Food Bank of Southern Arizona for the Town to participate in the food distribution program, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Motion passed unanimously.

#### **E.4 Discussion and/or Action [Manager Harvey]: Approval of an Intergovernmental Services Agreement with the Ft. Huachuca Army Base for the Town to provide solid waste management services to the Base.**

**Motion:** Approval of an Intergovernmental Services Agreement with the Ft. Huachuca Amry Base for the Town to provide solid waste management services to the Base, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Cynthia Butterworth.

Mayor Pro Tem Hirshberg recused herself for this item, on the grounds that she works for the Garrison on Ft. Huachuca. She left the room during the discussion.

Mayor Wallace states that he also works on Ft. Huachuca, but he does not work for the Garrison, so he doesn't need to recuse himself.

Manager Harvey tells the Council that this is something they have been talking about for a while now. The short story of it is that this is a way that army bases are trying to cut their costs, get services, and put back to the local communities. The Town put out a Bid and was selected to provide the commercial trash pick-up for them. Before the Council is the IGA that has been looked over by the Town's attorney and by their attorneys and this is what we all agree to. It will

provide us with, from \$40 - \$50,000, additional revenue each year. It will vary because it depends on how many roll-offs they need in a given year. We will be subcontracting that work out. We've already held an RFP and selected a subcontractor. As soon as this is approved, we will work on a contract with that subcontractor.

Mayor Wallace confirmed that Councilmember Cardella is not employed by the Federal Government after she voiced concerns about needing to possibly be recused at the beginning of the item.

Councilmember Cardella confirmed she is not.

Mayor Wallace assured her she was fine to vote.

**Motion:** Approve the IGSA with Ft. Huachuca to provide solid waste management services to the base, **Action:** Approve, **Moved by** Johann Wallace, **Seconded by** Cynthia Butterworth. Motion passed with Mayor Pro Tem Hirshberg abstaining.

Mayor Pro Tem Hirshberg rejoins the meeting.

### **E.5 Discussion and/or Action [Manager Harvey]: Approval to renew the agreement with Waste Management for the Town's trash services.**

**Motion:** Approval to renew the agreement with Waste Management for the Town's trash services, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Mayor Wallace tells the Council that the Town is currently receiving services from Waste Management and that the contract the Town has with them is coming up for expiration. Based on the contract language he believes that we can just do a straight renewal instead of having to do an RFP bid.

Manager Harvey confirms this.

Mayor Wallace asks that this has been verified with the attorney.

Manager Harvey answers yes.

Mayor Wallace tells the Council that he's been looking into this and based on the price, he believes that we'd be better off if we didn't go out for an RFP. He believes that the prices we would get back from the RFP would be higher than what the Town is paying right now. He personally has no issues with the current provider but would like to hear from the rest of the Council.

Councilmember Ferro responded that if it's legal, ethical, and will save the Town money then he has no issues.

Councilmember Cardella asked how do we address that line from our month budget report where we're in the red for Waste Management and stuff?

Manager Harvey answered that conversation will be happening regardless of this decision, but she suspects it's something on our end. She doesn't think it is really related to Waste Management. She tells the Council that the contract that is in their packets is a first draft that will be refined but she didn't want to devote her or the attorneys time on it until she know she had the Councils go ahead to renew with Waste Management. If they decide to do an RFP then that's something that needs to happen now, if we're going to renew then we have until the end of November to work out the contract.

Mr. Benavidez commented he also believes pursuing a renewal is the best thing to do. Mayor Wallace asks about the rate tables that are in their packets. Are those numbers going to change? Will they go up? Manager Harvey answers that they are not, is the word that she has gotten. They provided her with the draft the Council has and the rate would stay the same as it currently is and would be up for a rate adjustment on June 30<sup>th</sup> /July 1<sup>st</sup>, as it's been in our current contract. They raise the rates every fiscal year based on inflation and as you recall we amended our contract to use the Garbage Inflation Rate as opposed to the General Consumer Index. Mayor Wallace comments that that has actually been lower. Manager Harvey agrees saying it's been about 3% lower.

**Motion:** Pursue contract negotiations to renew the agreement with Waste Management for the Town's trash services, **Action:** Direct Staff, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.  
Motion passed unanimously.

**E.6 Discussion and/or Action [Manager Harvey]: Approval to participate in the Strategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Program, and approval of the multi-agency agreement.**

**Motion:** Approval to participate in the Strategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Program, and approval of the multi-agency agreement, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.

Mayor Wallace explains that this is supposed to help the Town save money. It's meant to help cut the red tape, save time, and make it so we don't always have to do an RFP. He said it's a lot like the Home Shopping Network or Amazon. Manager Harvey commented that a lot of the other Cities and Towns in Cochise County are already a part of this. Joining would allow us to not have to use RFP, we could just "piggyback" but with our own contract on someone who already has that contracted service. This saves us staff time and money. Mayor Wallace adds that potentially we could get a better cost on it because the company is already servicing x number of other communities so they already have materials and might be able to reduce costs. Councilmember Ferro mentions that might cause liability problems. Mayor Wallace agrees and states there are liability issues with everything we do.

**Motion: Participation in the SAVE program, Action:** Approve, **Moved by** Johann Wallace, **Seconded by** Cynthia Butterworth.  
Motion passed unanimously.

**E.7 Discussion and/or Action [Chief Thies]: RESOLUTION 2023-17 - A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, AUTHORIZING THE TOWN TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH TOMBSTONE UNIFIED SCHOOL DISTRICT # 1 FOR PARTICIPATION IN A SCHOOL SAFETY PROGRAM.**



**Motion:** Resolution 2023-17 – A Resolution of the Mayor and Council of the Town of Huachuca City, Authorizing the Town to enter into an Intergovernmental Agreement with Tombstone Unified School District #1 for participation in a School Safety Program, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by Cynthia Butterworth.**

**Motion: Resolution 2023-17, Action:** Approve, **Moved by** Johann Wallace, **Seconded by Cynthia Butterworth.**

Motion passed unanimously.

**E.8 Discussion and/or Action [Mayor Wallace]: PROCLAMATION NO. 2023-15 - A PROCLAMATION OF THE MAYOR OF THE TOWN OF HUACHUCA CITY DECLARING OCTOBER 8 THROUGH 14, AS “FIRE PREVENTION WEEK.”**

**Motion:** Proclamation No. 2023 -15 – A Proclamation of the Mayor of the Town of Huachuca City declaring October 8 through 14, as “Fire Prevention Week”, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by Christy Hirshberg.**

**E.9 Discussion and/or Action [Mayor Wallace]: PROCLAMATION NO. 2023-16 - A PROCLAMATION OF THE MAYOR OF THE TOWN OF HUACHUCA CITY DECLARING OCTOBER, 2023, AS “DOMESTIC VIOLENCE AWARENESS MONTH.”**

**Motion:** Proclamation No. 2023 -16 – A Proclamation of the Mayor of the Town of Huachuca City declaring October, 2023, as “Domestic Violence Awareness Month”, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by Christy Hirshberg.**

**E.10 Discussion and/or Action [Mayor Wallace]: PROCLAMATION NO. 2023-17 - A PROCLAMATION OF THE MAYOR OF THE TOWN OF HUACHUCA CITY DECLARING THE MONTH OF OCTOBER, 2023, AS “HISPANIC HERITAGE MONTH.”**

**Motion:** Proclamation No. 2023 -17 – A Proclamation of the Mayor of the Town of Huachuca City declaring the month of October, 2023, as “Hispanic Heritage Month”, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by Christy Hirshberg.**

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

**Councilmember Butterworth** mentions they are still doing the morning walk at 7am on Sundays. Healthy Huachuca meeting on the first Wednesday of October. She updates that the garden has 2 small garden beds for the school garden club so the children can plant their seedlings. October 12<sup>th</sup> at 10 am there will be virtual bingo at the library.

**Councilmember Cardella** advises of the COX Communications event at the park on Saturday. There will be free food.

**Mayor Pro Tem Hirshberg** advises that the survey is out regarding keeping or removing the horseshoe pit in the park.

**Mayor Wallace** mentions the Hispanic heritage festival in Sierra Vista on Saturday. October will be a busy month, there is the SSVEC thing for the new solar array, there is also the event at the Boys and Girls Club. He also has asked for more information on the solar powered EV charging stations on Ft. Huachuca. He is interested in the cost and so we could possibly try to get a grant or something to set one up here in town. He states that he has confirmed that the possible government shut down will not effect our bus contract with Ft. Huachuca.

**G. Adjournment**

**Motion:** To Adjourn, **Action:** Adjourn, **Moved by** Johann Wallace, **Seconded by.**  
Motion passed unanimously.

Approved by Mayor Johann R. Wallace on October 12th, 2023.

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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 28, 2023. I further certify that the meeting was duly called and a quorum was present.

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Ms. Brandye Thorpe,  
Town Clerk