

**NOTICE OF THE REGULAR MEETING OF THE
THATCHER TOWN COUNCIL
May 20, 2019**

Councilmembers present: Vice Mayor Allen, Councilwoman Smith, Councilman Welker, Councilman Bryce, Councilwoman Howard, Councilman Rapier

Staff present: Town Manager Heath Brown, Town Attorney Matt Clifford, Town Engineer Tom Palmer, Police Chief Shaffen Woods, Fire Chief Mike Payne, Deputy Clerk Michelle Mortensen, Street Supervisor Tommy Nicholas, Engineer Tech Gary Allred

Visitors: Justin Layton, Sam Daley, Ward Weaver, Lance Henrie, David Sowders, Virginia Avila, Yvette Ramirez

AGENDA

Welcome and Call Meeting to Order at 6:30 by Vice Mayor Allen. He stated that we do have a quorum.

Pledge of Allegiance led by Chief Woods.

OPEN CALL TO THE PUBLIC:

Virginia Avila from SEACAP in Safford stated that her job is to run Graham, Greenlee, & Cochise counties. We are a social service non-profit organization and one of our services is helping people with utility assistance. If you have a family in crisis we will assist them if they are eligible. Tonight we are here to promote the census. If there are people who aren't counted then we lose money. Our concern is the senior citizens. Our agency is going to put together some classes and partner with EAC so those people can come in and do their census survey.

Councilwoman Howard read a letter from Hector Ruedas who is a citizen of Quail Ridge. He praised the street department for the work that they did on the culvert out there and the manner in which it was done. He also noted that Tom Palmer did a good job in the design and how it fits into the subdivision.

PUBLIC APPEARANCES:

A. Gila River Alliance

Sam Daley stood and stated that we represent the Gila River Alliance. In the Gila Valley we are in a crisis when it comes to our water. Our culture in this community is based on agriculture. The basic points of what we are dealing with are new litigation from the San Carols Tribe stating that our pumps, any over 35 gallons per minute is an illegal water diversion. Any time we turn on that pump, we are

diverting water from the river illegally. We have a legal team working to combat this. We are here to ask for some help. Justin Layton said that I was happy to see this picture of the valley with agriculture surrounding it. I think that picture speaks as to why we are here. We have a website that just went live today saveourpumpsaz.com, and there are also a twitter and Face book account SaveOurPumpsAZ. We are asking the Town to pass a Resolution to be a part of this Alliance. In short, we are asking for your support to say that you agree with coming up to an equitable solution outside of court to benefit everyone to turn on the new pipeline to deliver fresh, clean water to the Tribe at the touch of a button. Councilman Rapier asked what is the answer from the other side, what is the reasoning that they are blocking that water. Justin stated that we could give you our opinions, but we don't really know. Sam stated that water is power, and the other reason that is if the fight stops then the representative income stops. Mr. Clifford asked if there has been a temporary restraining order filed with respect to the 35 gallon limit. Justin answered, that goes back to the 2004 Forbearance Agreement that anything over 35 gallons a minute has to be metered. The current lawsuit is the wells that fit in that category that are over 35 gallons a minute are threatened. There are only a handful of wells right now that are threatened but if those fall, then agriculture as we know it is done.

CONSENT AGENDA:

- A. Approve minutes of the April 15, 2019 Regular Council Meeting.
- B. Approve minutes of the May 8, 2019 Special Council Meeting.
- C. Planning and Zoning Monthly Report.
- D. Police Monthly Report.
- E. Approval of Invoices.
- F. Financial Reports.

Motion was made by Councilman Rapier to approve the consent agenda and was seconded by Councilwoman Smith. Motion carries unanimously.

OLD BUSINESS:

Preliminary 2019-2020 Budget

Mr. Brown explained that this is the preliminary budget that we have been working on. We were approached by the Lions Club to support their Veteran's Day Event with \$1000, so I have added that. They want to buy some flags to honor the Veteran's. I have budgeted for a one-time 3% bonus for employees

which will not impact their permanent pay. We have gotten our renewals for our health insurance which had a decrease of 3%. That is all I have that is different for the budget. It is down about 7% from last year and the projected revenues are up about 5%.

Councilman Bryce stated that with the 3% salary increase, I think really we are saying there is 3% increase, you figure out how you want to do that, whether an increase or a bonus. Councilman Rapier stated that I agree with Councilman Bryce. Mr. Brown stated that is a significant difference. If we made it a permanent raise then next year it would be a greater number. If you want to leave it up to me I would probably make it a permanent raise. Councilman Rapier stated that the general consensus of the council was that we probably prefer it to be a bonus, because of what it would do twenty years down the road, but that isn't really our call. Councilwoman Howard stated that it's a big difference, a bonus versus a permanent increase. Councilman Rapier stated I think it needs to be a bonus but that is a decision for the Town Manager. Councilman Welker stated that I think that we need to make that call as a council. It has implications that go far into the future and Mr. Brown won't be able to separate himself from that because he is the direct supervisor.

Councilwoman Howard said that no matter what we do, we need to come up with a merit based system for the consecutive years. Mr. Brown stated after receiving other input, I decided that maybe isn't the best route. We need to have a well thought out plan and system for that and we don't. Councilwoman Smith stated that my concern was when the employees were expecting it and taking that away from them. If you gave it to them this year and let them know that we are looking at something different for next year. Mayor Allen agreed with her, that he felt it was not something we were looking at this year, but next year and for long term budgeting. Chief Woods mentioned that we already have a merit base system in place. We have changed the evaluation for the employees, but we already have a step system in place. Councilman Rapier stated that we don't want employees to feel unappreciated, but we know that this is a concern not now, but in the future. Mr. Brown stated that before tonight I was planning on giving everyone a 3% bonus. Councilwoman Howard said I thought it was a spot bonus with us looking at this again next year. I believe in merit increases because you have those employees who don't put forth the effort and you have those who always do. The council reached the consensus that the 3% bonus raises for this year are appropriate. Motion was made by Councilman Rapier to approve the preliminary 2020 budget for \$15,823,911.06. Motion was seconded by Councilwoman Howard. Motion carries unanimously.

NEW BUSINESS:

RESOLUTION NO. 681-2019. A RESOLUTION OF THE TOWN OF THATCHER, ARIZONA

TOWN COUNCIL SUPPORTING THE GILA RIVER ALLIANCE AND AN EQUITABLE SETTLEMENT TO LITIGATION THAT THREATENS WATER SUPPLIES NECESSARY TO AGRICULTURE AND RESIDENTS THROUGHOUT THE UPPER GILA RIVER VALLEY AND SOUTHEASTERN ARIZONA.

Motion was made by Councilwoman Smith to approve Resolution 681-2019 and was seconded by Councilman Rapier. Motion carries unanimously.

Council Member Insurance

Mr. Brown stated that Councilwoman Howard asked for this to be on the agenda. I worked with the League on this, and not many Cities or Towns do this, but City of Safford does. The difficulty for us is that the proposal was for us to do this at no cost to the Town. Because our insurance is a self funded plan, we pay a portion of the costs, and it affects our rates for the next year. What our insurance company recommended was to look at creating two groups, because it would be difficult to determine the effect of the council on our costs. We could go to a PPO plan but that would be expensive. Mr. Brown also mentioned that Ms. Mortensen helps administer the plan which helps keep the costs down. Councilwoman Howard said that it was worth looking at, but it doesn't look like it wouldn't be at no cost to the Town.

RESOLUTION NO. 682-2019. A RESOLUTION GRANTING A LICENSE TO VALLEY CONNECTIONS, L.L.C., TO OPERATE A TELECOMMUNICATIONS SYSTEM WITHIN THE TOWN OF THATCHER.

Mr. Brown explained that this is housekeeping with Valley Telecom. I recommend that we pass this; it just shows that we are willing to let them use our right of way to operate the system. Motion was made by Councilman Welker to approve Resolution 682-2019 and seconded by Councilwoman Smith. Motion carries unanimously.

INTERGOVERNMENTAL AGREEMENT BETWEEN THE STATE OF ARIZONA AND THE TOWN OF THATCHER. THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this 20th day of May, 2019, by and between the Arizona Department of Revenue, hereinafter referred to as Department, and the Town of Thatcher, an Arizona municipal corporation, hereinafter referred to as Town. This Agreement shall supersede and replace all previous intergovernmental agreements, including amendments thereto, entered into by the Department and Town regarding the administration, collection, audit and/or licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use taxes and rental occupancy taxes imposed by the State, cities or towns.

Mr. Brown stated that this is our agreement with Arizona Department of Revenue. I would recommend that we approve this IGA. Councilman Rapier

made a motion to approve and seconded by Councilwoman Howard. Motion carries unanimously.

INFORMATIONAL ITEMS:

A. Town Manager's Report

Mr. Brown stated that we should get the notice to proceed from the state on the Church Street Project any day. We then will be able to get it in the paper and get out the bid packages to the contractors. We will probably have to have a special meeting in June or July to award the bid, because I don't think we'll have time to have that done by our June meeting. By the end of next week we should be done with the culvert at Quail Ridge. All the concrete work is done. We have to backfill and clean up and then dredge out the basin. We started salvage at Red Lamp today and then Tommy's crew will move there after they are finished at Quail Ridge. From there we will move to the soccer fields. We have taken the regular park and turned it in to a dog park and also a Frisbee golf course. Something we don't talk a lot about, but we are constantly working on is the weeds. Gary and Ashley have been working on the census committee and at some point we will have to spend some money towards this.

The sewer and garbage rates have been posted and we will be able to discuss that in July. City of Safford discussed increasing the tax rate and voted against it. We discussed the PSPRS and the unfunded liability, and we were approached by a company that has software to help with this. The cost would be \$4000 for three years and we can run different scenarios and figure what direction we need to go.

Councilman Rapier asked if we have made any move towards annexing at least Shadow Lane. Mr. Brown mentioned that it is on our list.

B. Fire Department Report

Chief Payne stated that something that came up was one of our members had a DUI so we decided to let him go. It is unclear on how to handle these situations. Chief Woods sent me some information on what other Towns are doing. Another issue that has come up; Safford just approved a three mile radius for them to recruit firemen. It's something that we might have to look at.

C. Police Department Report

The 24th of July celebration, I have been approached for a different parade route. It would be to start at Reay Lane down Ball Park Rd. The route would be a little short. Also, at Dump the Drugs we took in about 300 lbs. of prescription drugs. The program is going as good as it ever has. We talked about possibly passing a distracted driving law. As you know the state has passed this. There are a few exceptions. You can't issue a citation until January 2021. We have a lot of time to educate the public before then.

D. Council Reports

FUTURE AGENDA ITEMS:

None

ADJOURNMENT

Motion was made to adjourn the meeting by Councilman Rapier at 7:49 and was seconded by Councilwoman Smith. Motion carries unanimously.