

**MEETING MINUTES FOR THE WORK SESSION
OF THE THATCHER TOWN COUNCIL
April 4, 2023**

Pursuant to A.R.S. 38 431.02, notice is hereby given to the members of the Town Council of the Town of Thatcher and the general public that the Town Council will hold a **Work Session that is open to the public on April 4, 2023, beginning at 6:00 PM, in the Council Chambers, Thatcher Town Hall, located at 3700 West Main Street, Thatcher, Arizona.**

Councilmembers present: Mayor Bryce, Vice Mayor Howard, Councilwoman Smith, Councilman Welker, Councilman Vining, Councilman Carlton, Councilman McEuen

Staff present: Town Manager Heath Brown, Town Engineer Tom Palmer, Police Chief Shaffen Woods, Deputy Town Clerk Annie Reidhead

AGENDA

Welcome and Call Meeting to order by Mayor Bryce at 6:17 p.m. He stated that we do have a quorum.

Pledge of Allegiance led by Mayor Bryce.

Open Call to the Public: None

NEW BUSINESS: None

BUDGET WORK SESSION: Discussion & Consideration

- A. Purchases/Projects to Consider for Upcoming Fiscal Year
 - See Attached *2023/24 Budget Options*

General Items:

- A. Increases in Sales Tax Prediction by \$200K, State Shared Revenues by \$450K, interest by \$225K (Net \$890K increase in Revenue)

Mr. Brown stated that state shared revenues are up \$200,000 from last year to this year. The revenues generated \$3.4 million this year and are projected at \$5.1 million for next year. Mr. Brown stated that he has used the shared revenues provided by the state and budgeted \$4.5 million.

- B. Salary Increase – 5.0% Merit & 2.0% COLA (8.7% SSA COLA and 6.5% CPI)

Mr. Brown initially proposed a 5% merit raise and 2% COLA for the upcoming fiscal year. He stated that the cost-of-living raise affects the salary ranges. Mr. Brown stated that last fiscal year employees were given a 2% merit raise and a 2% COLA. It was open for discussion among the council members. Council members would like staff to report back how many employees are maxed out on their salary range and requested salary surveys be looked at. A preliminary proposal of a 50/50 merit/COLA was discussed. The council would like to discuss these percentages once the preliminary budget is presented.

- C. Employee Bonuses – Propose net \$500 to FTE's.

Mr. Brown stated that last year we gave full-time employees a \$1,000 bonus somewhat as a salary subsidiary. Mr. Brown is proposing a \$500 net bonus to full-time employees. The council discussed a \$1,000 gross bonus and would like to discuss it once the preliminary budget is presented.

- D. Health, Vision, Dental Insurance - Increase in Premiums 15% switching to BCBS and 5% year to year.

Mr. Brown stated that the budget number agreed upon for last fiscal year on health, vision, and dental included self-insured Group Administrators as the broker. It was decided to utilize Vector Employee Solutions as the broker with Blue Cross Blue Shield as the provider. Mr. Brown stated that this increased the budget by an average of 15% per department. He has added a 5% overall increase to consider the premiums increasing. It was open for

discussion among the council. Mayor Bryce discussed the employee benefit summary that was presented at the last council meeting. Deductible amounts were discussed as to whether the employee deductible is paid by the town and what the plan deductible amounts are. The council advised staff to continue with the plan proposed for this fiscal year and shop providers for next fiscal year.

- E. Sanitation Fees – Currently \$16 / month, Raising \$1 / month = \$25K/year, Safford Rate = \$19.86/Month, Vista Recycling Rate = \$26.50/Month

Mr. Brown stated that we are breaking even on sanitation fees which do not include the purchase of a garbage truck and the cost of a garbage truck is \$400,000. Mr. Brown stated that we have typically raised the sanitation fees every 4 to 5 years. Mr. Brown expressed that if we raise the sanitation fee \$1 each year that would generate \$25,000 a year in revenue. Mr. Brown stated it would be ideal to raise the rate to \$1 for the next four years, which would put us inline with the City of Safford. It was discussed by the council and decided that a \$2 increase for the upcoming fiscal year.

Red Lamp:

- A. Infrastructure Costs | \$965K
- B. Additional Landscape/Hardscape & Architecture | \$100K
- C. Offsite Improvements 3rd Ave & 4th St. | \$120K
- D. Revenue from Property Sales | \$315K
- E. Revenue from Infrastructure Buy-In | \$690K
- F. Net Funding | -\$180K
- G. Net Funding after final two lot sales plus Infrastructure Buy-In | \$195K

Mr. Brown stated there are not any new updates to the Red Lamp property. The bank is still on board, and they will be meeting with their architect in May. Mr. Brown presented the preliminary budget report included in the packet and explained that we have a higher projection of revenue than we have on our expenditure limitation which includes the Red Lamp project. Mr. Brown stated that he discussed this with the auditors, and they suggested setting up the Red Lamp project under an MPC. The council stated that they do not want to cut anything from this budget, but they would like staff to find creative ways to fund this project.

Cemetery:

- A. Slope / Fence Project | \$123K

The council tabled this project until the following fiscal year 24/25.

Police:

- A. Border Crime Grant to Cover New Equipment
- B. PSPRS Extra Payments – Possibly \$500K this year and/or next year
Mr. Brown presented a power point produced by GovInvest with different contribution options. The council asked what the total payoff is, and Mr. Brown stated the payoff is \$1.82 million. The council suggested paying it off to 90% and would like staff to obtain those options from GovInvest.
- C. School Resource Officer – Split cost with Thatcher Schools 50/50, cost of \$50K
The council approved the split cost with Thatcher schools for the SRO.
- D. Storage Building at Town Yard for Police Impoundments & other Town storage. | \$120K

Fire Department:

- A. 2nd Set Turnouts (24) | \$77K
Propose 10 = \$38.5K
- B. Handheld Radios (20) | \$120K
Propose 10 = \$60K
- C. **Truck Radios (4) - \$20K** - [Five (5) transferred from Police Dept.]
- D. Multi-Gas Detectors (1) | \$6K
- E. Wildland Turnouts (35) | \$35K
- F. Wildland Truck | \$300K

- G. Thermal Imaging Cameras (1) | \$5K
- H. Wildland Building
- I. Paid per Call - \$20/call or meeting = \$97K/yr
- J. Chief Salary

Mr. Brown stated that the fire department has requested paying the fire fighters \$20 a call and paying the fire chief some type of salary. The council would like to get a priority list of the above items from the fire department. The council would like staff to research options from the other local fire departments and discuss them further once the preliminary budget is presented.

Shop:

- A. Dual A/C Machine to Comply with regulations.
The council approved the dual A/C machine.
- B. Proposed Awning at North Side of Shop
The council approved the awning at the north side of the shop.

Public Works:

- A. Crack Sealing Machine - \$75K
The council approved the purchase of a new crack sealing machine.

Right-of-Way Acquisition:

- A. 8th Street - \$182K Remaining to Purchase
- B. 1st Avenue & others | \$68K

Parks:

- A. New Lawn Mower – Walker T27i | \$25K
The council approved the purchase of a new Walker lawn mower.
- B. Replacement Benches at Highway Park - \$20K
Mr. Brown stated that these benches are original to the park and would like to replace them with concrete benches.
- C. Recreation Complex
 - a. Playground Equipment - \$180K
 - b. Surfacing @ Play Equipment - \$140K
 - c. Lighting Control - \$30K
 - d. Path Lighting - \$60K
 - e. Field Lighting - \$350K
 - i. Possible United Way Grant up to \$200K

The council agreed to add provisions to the budget for field lighting in case the United Way grant is received. The council leaned towards moving the playground equipment and surfacing to the following fiscal year 24/25.

Sanitation:

- A. New Garbage Truck - \$375K

Electric:

- A. Potential New Substation - \$3M Total
 - a. Possibly \$500K this year for materials & engineering
 Mr. Brown stated that there have been ongoing discussions with Graham County Coop on the construction of a

substation. The Coop is anticipating a completion date of 2025. The transformers have a 2-year delivery period. Mr. Brown stated that the cost of the transformers is \$500,000 and the delivery time is 2 years. He also stated that there is a \$200,000 engineering cost. These two amounts would have to be paid now to go live with the substation in 2025. Mr. Brown is getting advice from K.R. Saline on the project.

Public Works Projects

- Allred Lane Widening – US70 to Eliza Lane
 - \$280K
 - 12 WeeksThe council tabled this project until next fiscal year 24/25.
 - 8th Street Realignment – At Reay Lane / Carter’s / Rec. Complex
 - \$210K
 - 6 WeeksThe council agreed to move forward with this project.
 - Recreation Complex – Playground Equipment & Surfacing and Path Lighting
 - \$350K
 - 12 WeeksThe council tabled this project until next fiscal year 24/25 unless the grant is received for the field lighting.
 - Ball Field / Cemetery Slope Project
 - \$123K
 - 12 WeeksThe council table this project until next fiscal year 24/25.
 - Red Lamp – 3rd Avenue Improvement & Utility Work
 - \$90K
 - 12 Weeks
- Total Time = 54 Weeks
- There will be at least 8 weeks in the year where the crew will be pulled of these projects for an emergency or reprioritization.

B. Other Discussion Items as Needed

Mr. Brown stated that the council has not been given a raise in 18 years and he has included a 10% raise which equates to \$3,900 for the year. The council would like staff to research salaries from the other local towns and cities and discuss them further once the preliminary budget is presented.

ADJOURNMENT

Motion was made to adjourn by Mayor Bryce. All in favor of adjournment. The meeting adjourned at 8:32 pm.

APPROVED:

Heath Brown, Town Manager

Randy Bryce, Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Thatcher held on this 4th day of April. I further certify that the meeting was duly called and held and that a quorum was present.

Annie Reidhead, Deputy Town Clerk