



**MEETING MINUTES FOR THE REGULAR MEETING & PUBLIC HEARING
OF THE THATCHER TOWN COUNCIL
May 19, 2025**

Councilmembers Present: Mayor Howard, Councilman Bryce, Councilman Vining, Councilman McEuen, Councilman Woods

Councilmembers Absent: Vice Mayor Welker, Councilman Carter

Staff Present: Town Manager Heath Brown, Town Attorney Matt Clifford, Town Engineer Tom Palmer, Police Chief Glen Orr, Fire Chief Steve Curtis, Town Clerk Annie Reidhead, Procurement Officer Gary Allred

Visitors: John Howard, Vance Bryce, Brandon Homer, Erick Wright, Rick Bryce

Welcome and Call Meeting to Order at 6:30 p.m. by Mayor Howard and she stated that this is a public meeting of the Thatcher Town Council. She stated that we do have a quorum.

Pledge of Allegiance led by Councilmember Bryce.

AGENDA

1. **PUBLIC HEARING:** None

2. **OPEN CALL TO THE PUBLIC:**

Vance Bryce, representing the Graham County Chamber of Commerce, shared updates with the Mayor and Council.

- The Chamber will be initiating the Thatcher's Merchants Association. This will include owners of businesses in Thatcher and residents who own businesses in Thatcher.
- Will coordinate with Phil McBride regarding the schedule for the 4th of July festivities to begin designing the advertisement.
- The Arizona Cattle Growers Association Convention will be taking place July 24th and 25th at Eastern Arizona College. Requested sponsorship from the Town of Thatcher. A custom banner representing the Town will be designed and displayed at the convention.
- The Rural Forum Policy will take place August 6th through August 8th at Eastern Arizona College. The forum is being presented by Local 1st Arizona organization. Requested sponsorship from the Town of Thatcher. A custom banner representing the Town will be designed and displayed at the convention.
- Touched on the booths for the Showcase of Cities and Towns at the Arizona League Conference. The City of Safford and the Town of Pima will each have a booth at the event.

Rick Bryce, resident of Thatcher, introduced himself to the Mayor and Council. He expressed his thanks to Mr. Brown and Mr. Palmer for their efforts with the flood control project at Ridgeview Way. The work is expected to resolve major issues and improve the area. He appreciates the continued support.

3. **PUBLIC APPEARANCES:** None

4. **CONSENT AGENDA:**

- A. Approve Minutes of April 21, 2025, Regular Council Meeting
- B. Planning and Zoning Monthly Report
- C. Police Monthly Report
- D. Approval of Invoices
- E. Financial Reports

Councilmember Vining made a motion to approve the Consent Agenda and was seconded by Councilmember Woods. Motion carried unanimously.

5. **OLD BUSINESS:** None

6. **NEW BUSINESS:**

A. Final Plat Extension for Quail Ridge Phase II-D Residential Subdivision.

Mr. Brown stated that the original Final Plat for Quail Ridge Phase II-D Residential Subdivision was approved in May of last year by Mayor and council. This request is to extend that approval for an additional year, until it is recorded. The contractor is currently working on the infrastructure for this phase.

Councilmember Bryce made a motion to approve the Extension of the Quail Ridge Phase II-D Residential Subdivision Final Plat and was seconded by Councilmember Woods. Motion carried unanimously.

B. Acceptance of PACE Engineering Design Services Proposal - \$68,140.

Mr. Brown explained that the Agreement for the on-call engineering for the wastewater treatment plant with PACE was approved by Mayor and council in last month's council meeting. This proposal is the contract for the actual services that will include evaluation of the collection system, address critical issues, and analyze the treatment plant. The proposed budget allocates \$75,000 for this item, and the submitted proposal is priced at \$68,140.

Councilmember McEuen made a motion to accept the PACE Engineering Design Services Proposal in the amount of \$68,140 and was seconded by Councilmember Vining. Motion carried unanimously.

C. Potential Bed Tax Increase (Hotel/Motel – Additional Tax)

Mr. Brown explained that Mayor and council raised the possibility of an increase in the Bed Tax during the April Council meeting and requested that it be placed on this month's agenda. Mr. Brown referred to the spreadsheet included in the packet showing the amounts collected so far, this fiscal year. The current Bed Tax rate is 3% and year to date \$172,473 has been collected. Raising the tax rate to 5% would yield \$344,947. As discussed previously, 0.5% (\$28,746) would have to be spent on tourism only. Mr. Brown mentioned that he has reached out to the Arizona League of Cities and Towns to assist with this process. The League has agreed to assist with preparing a sample public notice, a sample ordinance, and definition terms of "Tourism". To be effective by January 2026 the public notice would require to be posted by next week and in three months the Ordinance would require approval.

Councilmember McEuen made a motion to begin the process of the potential increase of the Bed Tax to 5% and was seconded by Councilmember Vining. Motion carried unanimously.

D. Thatcher After Hours Policies / Availability

Mayor Howard explained that Thatcher After Hours Policy was requested by Councilman Bryce in the April Council meeting. The request was to determine who to field questions from residents during after hours and weekends. Councilmember Bryce appreciated the information and stated that this will be helpful moving forward.

E. Councilperson Appointment to Fill Vacancy

Mr. Brown announced that Vice Mayor Welker is relocating outside town limits at the end of May and the remainder of his term will need to be filled. Mr. Brown reviewed the Town ordinance regarding council vacancies and recommended that staff initiate the process to fill the vacancy immediately by placing an advertisement on social media and in the local newspaper. The Council and Mayor discussed the process and timeline and agreed to proceed.

F. Fiscal Year 2025/26 – Town of Thatcher – Preliminary Budget

Mr. Brown presented the proposed Preliminary Budget and provided explanatory budget notes. The budget notes page contains letters that correspond with the Preliminary Budget and include the items that have decreased or increased from the previous budget. These changes were discussed during the Budget Work Session meeting in April. Since then, Mr. Brown noted that one additional change has been made. This change, related to Police Department vehicles, is highlighted below.

NOTES

A	23/24 Income (\$5.482M) & 24/25 Projected Income (\$6.213M)
B	Increase in Baseball Fees
C	Funds Used for 8th Street
D	10% Increase - \$6,600, Mayor \$7,800
E	NOT PAID RECENTLY
F	League of Cities Booth
G	Proposed 2% Merit and COL Raise
H	Accounting Consultant Services Increases
I	Town Hall Janitorial, Move Val's Maintenance (\$12K) Out of Misc., \$1,500 Fire Code
J	Town Hall Improvements - Lighting, Re-Key Building, Flooring, Painting, A/C Screens, etc.
K	File Server
L	Storage Cabinets, Audio/Video System (\$50K)
M	Change of Staff Member from Electric Dept. to Parks
N	Employee Luncheons, 4th of July, Food Truck/Vendor Event
O	Fire Code, Add. Cameras at Parks
P	Ball Field Lighting (\$150K)
Q	PT Cemetery Employee
R	Move Park Construction (\$50K) out of Misc.
S	Mini-Excavator, 48" Walker Lawnmower, Hot Water Pressure Washer
T	Rec Desk - Payment Software
U	Restructure - Admin Sergeant plus Promotions
V	Body Camera & Taser Contract
W	Detective's Office & Fire Code
X	No Academy Costs
Y	Gas Masks for All Officers
Z	New Vehicle Radios
AA	New Toughbooks for Vehicles
BB	Leased Vehicles & 4 New Vehicles (3 patrol, 1 Detective) Includes 2 - 24/25 vehicles
CC	Building Improvements, Fire Code
DD	Thermal Camera, Multi-Gas Detector, 2nd Washing Machine
EE	Upgrade Fuel System
FF	Fire Code
GG	Diagnostic Software/Laptop
HH	Automatic Gate at Yard
II	New Cooler, Plasma Cutter
JJ	OT Project's
KK	\$500,000 for 8th St. West, \$315,000 for 1st Ave, Remainder for Pave Pres.
LL	200' New Vertical Curb Forms
MM	New Dump Truck
NN	Lease & New Pick-Up
OO	Office Upgrades
PP	Traffic Sign Printer
QQ	Computer Upgrades
RR	Balance of 8th St. Project
SS	Moved Jake Skinner to 50% Sanitation
TT	Roll-Off Dumpsters
UU	Changed 50% Employee to 100%
VV	Sewer Cleaning & CCTV \$40K, WWTP Engineering Analysis \$75K
WW	Update Treatment Plant Flow Reporting System
XX	WWTP Repairs & Upgrades
YY	Manhole Rehab
ZZ	KR Saline Estimates
AAA	Return of Box Canyon Deposit (\$136,500)
BBB	Fire Code & Town Hall Improvements

ZZ	KR Saline Estimates
CCC	Apache II Solar Deposit (\$337,000)
DDD	Bucket Truck
EEE	\$950K Remaining Sub-Station / Underground Power Projects
FFF	Auto. Commercial Meters

Mr. Brown went on to discuss the General Fund Totals.

	24/25 Budget	25/26 Budget	Yr to Yr Difference
GENERAL FUND TOTALS	\$10,433,627.40	\$10,842,249.90	\$398,622.50
REVENUE	\$9,004,718.05	\$9,416,610.02	\$411,891.97
CONTINGENCY	\$1,100,000.00	\$1,250,000.00	\$150,000.00
FUND BALANCE	(\$338,909.35)	(\$175,639.88)	\$163,269.47

Mr. Brown presented information regarding employee health insurance. Due to significant premium increases this year, it was necessary to seek alternative providers. Aetna Banner offered the most competitive rate, resulting in the decision to switch from Blue Cross Blue Shield. Instead of a 20% increase, the estimated cost savings is approximately \$50,000. A discussion followed, focusing on the amount of savings, employee premiums, and the differences between insurance plans. Mr. Brown provided an overview of the proposed employee health insurance plans for the upcoming year. The discussion included options between HSA and PPO plans. He explained the differences between the two, noting that HSA plans typically have lower premiums and higher deductibles. Council members expressed differing opinions on how the Town should handle premium contributions. Also, addressed was the Town continuing to cover the full cost of the employee and family premiums, emphasizing the importance of maintaining competitive benefits to attract and retain staff. The conversation also included consideration of the Town contributing to employees' HSA accounts to help offset out-of-pocket expenses. After all discussions staff were given directions to work with the health insurance amounts that are currently in the Preliminary Budget, determine amounts for employee PPO contributions and Town HSA contributions, as well as adding this as a discussion item in the next Budget Work Session meeting.

Councilmember Woods made a motion to approve the Fiscal Year 2025/26 Town of Thatcher Preliminary Budget and was seconded by Councilmember Bryce. Motion carried unanimously.

7. INFORMATIONAL ITEMS:

A. Town Manager's Report

- Public Works Department
 - 8th Street
Mr. Palmer reported that paving has started, waiting on the railroad permit, and the railroad contractor will start next week.
 - Drainage Projects
The drainage projects at 1st Avenue/Church Street and Diamond Springs Drive/Church Street projects are completed. Crews have started the drainage project at Ridgeview Circle.
- O'Reily Auto Parts Power Relocation
Crews worked with Graham County Coop to move the power underground for this building.
- Fire Station Painting
The painting of the outside of the Fire Station will be completed tomorrow.
- Commercial Developments Update
Arizona Southwest Credit Union groundbreaking took place last Friday.
Williams Commercial Office Space construction has started.
Mount Graham RMC Clinic will be constructed along with the EAC Cosmetology Building.
Vega Air Warehouse Building construction has started.
Strive Fitness Addition construction has started.
- ADOT – Permit's Update
Communication with the Safford office has taken place regarding the ADOT permits for Culvers, U-Haul, and Burger King.
- Detectives Office
Due to space limitations, the two detectives will be moving to the side office in the Gila Valley Polaris building.
- Everett Cauthen's Retirement Party
Reminder that Sergeant Cauthen's Retirement Party is Thursday, May 29th, from 1 to 3 p.m.

- 4th of July Celebration
Reminder of the upcoming 4th of July festivities. Volunteers will be needed to cook pancakes, and a speaker will need to be chosen.
- Staff Openings – Parks Department, Electric Department, Court Clerk
We have advertised three positions, Maintenance Worker I in the Parks Department, Maintenance Worker I in the Electric Department, and Court Clerk for the Gila Valley Magistrate Court.
- Financial Summary

GENERAL FUND		SEWER FUND		ELECTRIC FUND	
TOWN TAXES	\$446,185	SEWER REVENUE	\$39,703	ELECTRIC REVENUE	\$405,381
SHARED REVENUE	\$196,874	SEWER EXPENDITURES	\$19,474	ELECTRIC EXPENDITURE	\$690,726
OTHER REVENUES	\$125,171	SEWER NET	\$20,229	ELECTRIC NET	-\$285,344
TOTAL REVENUE	\$768,230	SANITATION FUND			
TOTAL EXPENDITURES	\$459,476	SANITATION REVENUE	\$38,564		
GENERAL FUND NET	\$308,754	SANITATION EXPENDITURE	\$12,567		
		SANITATION NET	\$25,997		

- Police Department
Chief Orr reported the attendance on community events including EAC Skills Day, Dump the Drugs, Mock Car Crash, EAC Graduation, and Thatcher High School Graduation. The suspect involved in recent graffiti incidents throughout town has been identified and taken into custody. You may have noticed City of Safford officers assisting with traffic control as ADOT replaces signal control boxes to correct timing issues along Highway 70. This work is scheduled to begin in Thatcher tomorrow.
- Fire Department
Chief Curtis reported the attendance on community events including EAC Skills Day, Dump the Drugs, and a Car Show. Crews provided structure protection last Wednesday and Friday on the Bryce Fire. Chief Curtis reached out to the personnel of the Greer Fire regarding mutual aid. A representative from SW Gas visited with the crew at their meeting last Tuesday.

B. Council Reports: Mayor Howard reminded the Council that the Town Manager's evaluation will be on next month's council agenda.

8. **FUTURE AGENDA ITEMS & POTENTIAL QUOROM'S:** None

9. **ADJOURNMENT:**

Mayor Howard adjourned the meeting at 8:21 p.m.

APPROVED:

Heath Brown, Town Manager

Jenny Howard, 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 the 19th day of May. I further certify that the meeting was duly called and held and that a quorum was present.

Annie Reidhead, Town Clerk