

**TOWN OF KEARNY
REGULAR MEETING MINUTES**

**A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEARNY,
ARIZONA, AT THE KEARNY TOWN HALL LOCATED AT 912-C TILBURY DRIVE
ON MONDAY, DECEMBER 18, 2017, AT 7:30 P.M.**

COUNCILMEMBERS PRESENT

Mayor	Debra Sommers
Vice Mayor	Daniel Radcliffe
Councilmember	Rose Bradford
Councilmember	Rudy Flores
Councilmember	Nancy Hinojos
Councilmember	Samantha Misita
Councilmember	Sheila Stephenson

TOWN STAFF PRESENT

Town Manager	Anna Flores
Town Clerk	Cathy Woolery
Town Attorney	Steve Cooper

VISITORS PRESENT

Ron Buckley	Evelyn Casuga
Tino Flores	Brian Coleman

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Sommers called the meeting to order at 7:30 p.m. followed by the Pledge of Allegiance.

INVOCATION

Bishop Brian Coleman of the Church of Jesus Christ of Latter Day Saints delivered the invocation.

ROLL CALL

Mayor Sommers requested Town Clerk, Cathy Woolery, to call the roll. Quorum was present.

APPROVAL OF MINUTES

Motion by Councilmember Hinojos, **second** by Councilmember Stephenson to approve minutes from the Regular Meeting November 20, 2107. **Vote** - All members voted in favor. **MOTION PASSED.**

CALL TO THE PUBLIC

Mayor Sommers announced call to the public. No persons addressed the Council.

ANNUAL FINANCIAL AUDIT AND EXPENDITURE LIMITATION REPORT

Town Manager Anna Flores explained Matt Bingham from Colby & Powell is here to present the Annual Financial Audit and Expenditure Limitation Report for the fiscal year ending June 30, 2017. The auditing firm found no instance of non-compliance with Government Auditing Standards, and the Town remained within the alternative expenditure limitation approved by the voters. Matt Bingham summarized the audit stating there are three items for the Council - the Annual Audited Financial Statements, the Examination of the Expenditure Limitation Report,

and a letter which explains results of the audit. The audit is broken into several opinion units on multiple financial statements - governmental activities consisting of General fund, HURF, Grants fund, and RICO fund, business type activities - Utilities, Sanitation, and Ambulance funds. Then it is further broken down into the General Fund, and HURF fund. Also, the Investment Trust Fund which is the Firefighter Pension fund. The audit is based on General Accepted Auditing Standards, and on Governmental Auditing Standards which are Federally required on areas such as Federal Bonds, CDBG, and public safety grants. The audit is risk based. They look at the areas which have the most risk such as internal controls and assess those areas. That is where they spend the most time. Matt stated that in all the opinion units they have issued a clean opinion on each of them for this fiscal year. Internal controls are the processes that ensure there are no false transactions and review processes are in place. The auditors will report if there is a significant weakness in the internal controls. Matt expressed the Town does not have any significant weaknesses in internal controls to report. The letter does state some examples of some small things the Town can work on. Matt summarized the GASB 68 and GASB 75 which relates to the pension portion of public safety and health insurance in GASB 75. The obligation for paying this liability is in the future for the Town and other municipalities. As of June 30, 2017, the total liability for all pensions is almost \$2.5M. The public safety portion is \$1.1M and has increased from last year by approximately a quarter of a million. The ASRS increased about \$100K from last year. Public safety is the biggest one to be worried about. ASRS is a shared liability, whereas the public safety is a liability that is not shared and is all on the Town. Matt discussed the net position in comparison across the years. The net position for the Town of Kearny has a downward trend over the last six years mostly due to Public Safety Retirement. The unrestricted net position specifically is what is carried forward to the next year for spending and can be used for whatever. This has improved a little bit, but it is still in the negative. The utility fund reclassified the CAP which helped out the restricted portion by moving to unrestricted. Councilmember Bradford asked why the negative became so large. Matt stated he believes it is due to public safety retirement. Matt explained the interfund borrowing by the Utility Fund from the general fund and ambulance fund. The Town needs to look at its intent on paying the money back or not. If not then need to look at a transfer from the General fund to cover that loan. Councilmember Misita asked if the loan has been a little over time. Town Manager Anna Flores stated yes over time. Matt stated it had increased about \$36K this year. Councilmember Bradford asked about the vehicles, equipment and repair expense since we outsourced the trash outsourced the trash and if that helped. Matt explained that utility fund is just sewer and water. Councilmember Bradford stated getting new meters will help with utilities. Town Manager Anna Flores agreed.

Motion by Councilmember Stephenson, **second** by Councilmember Bradford to approve the audit. **Vote** - All members voted in favor. **MOTION PASSED.**

A RESOLUTION SUPPORTING A STATEWIDE POST-SECONDARY ATTAINMENT GOAL AND A WORLD-CLASS EDUCATION FOR ALL STUDENTS

Town Manager Anna Flores provided background presenting a resolution recognizing that education must be a top priority in our community to ensure strong economic future and higher quality of life which requires more than a high school diploma. The Town recognizes and supports the need to improve and support the statewide education attainment goal of 60% by 2030. She introduced Evelyn Casuga who will discuss the goal. Evelyn stated she is representing

the Center for the Future of Arizona tonight and focused on the Arizona Education Progress Meter. She also works closely with another organization Expect More Arizona. 68% of jobs in the future will require a post-secondary degree or certificate. Arizona is currently at 43% of the goal of 60% and Pinal County is only at 29%. The goal includes young students and adults from 25 to 64 for postsecondary degree or certificate at an institution of higher learning. They are approaching all cities and towns within Pinal County. She is looking forward to action this evening from the Council. The eight item indicators on the Arizona Education Progress Meter includes Quality Early Learning, Third Grade Reading, Eight Grade Math, High School Graduation Rate, Opportunity Youth, Post High School Enrollment, and Attainment. Councilmember Misita asked what this would do if the Town does not approve this. Evelyn stated that funding for public education has decreased and school districts cannot do it by themselves. They are looking at cities and towns for partnering. Arizona is 50th in the country for teacher pay. Support is needed for education and retraining. Some communities through their libraries and parks and recreation are already doing things. Councilmember Misita asked how it helps the cause to pass the resolution. Evelyn explained it is a voice that will be communicated and in fact she will be tweeting this for the Town of Hayden and Kearny. She feels there is an opportunity to engage in conversations with the Superintendent at the school. Also, CAC is supporting this and changing the way they meet the needs of the future. It is a whole pipeline from early education through adulthood. It is more of endorsing the importance of education in the community and not about money. Councilmember Stephenson agreed with being a retired educator and seeing what has happened to education. She stated we need all the support we can get and to help more kids with getting the education.

Motion by Councilmember Misita, **second** by Councilmember Bradford to approve the resolution supporting a statewide post-secondary attainment goal and world-class education for all students **Vote** - All members voted in favor. **MOTION PASSED.**

APPROVAL TO TRANSFER \$58,033 FROM THE GENERAL FUND CONTINGENCY RESERVE TO THE DEPARTMENTS OUTLINED IN THIS MEMO

Town Manager Anna Flores explained per Arizona Revised Statutes the final adopted budget by the Town is submitted on Auditor General forms and sent to the Auditor General each fiscal year for oversight. If expenditures exceed the budget appropriated for a department within a fund then action by the Council is required to transfer the appropriation from a contingency reserve or another department to balance the budget. The memo outlines the transfers from the General Fund that need approval for FY16/17 for a total of \$58,033. There are contingency reserve funds available for these unanticipated expenditures. It is recommended to approve the transferring of \$58,033.

Motion by Councilmember Stephenson, **second** by Councilmember Flores to approve the \$58,033 from the General Fund contingency reserve to the departments outlined in the memo. **Vote** - All members voted in favor. **MOTION PASSED.**

INFORMATIONAL ITEMS

Town Manager Anna Flores expressed she is very proud of the Mayor and Town Council and staff for all accomplishments in 2017 and looking forward to the New Year. She summarized

2017 accomplishments as follows: Repaired Well #8; Received \$65K grant from AZ Parks & Trails to repair OHV campground; Approved "No Parking Anytime" on Tilbury and Upton Roads due to health and safety; Approved FY17/18 budget and five-year forecast; Hired a Chief of Police; Police Department fully staffed; Approved dispatching for San Manuel Fire District; ASARCO repaired waterfall; ASARCO painted library activity center, pool, police department buildings, planted flowers at waterfall and pool entrances; Approved contract for solid waste and recycling collections keeping the same fee for residents which includes a free bulky pick-up once a month; Adopted Property tax levy with no property tax increase; Approved update to Caselle software; Approved 2% increase for all employees; Completed 10-year general plan; Approved CDBG for the sewer system; Refurbished the Kearny Library Activity Center; Install new computers at the police department; Honored our 2017 Ray High School Girls Softball team; Approved funding for the new ambulance and received funding of \$11,588.82 from Apache Sky Casino for the new ambulance. Anna expressed Congratulations to the Council and stated there are also some goals for 2018. She said we are on the right track and looking forward to the New Year.

REPORTS

Mayor Sommers asked if there was any discussion on the reports. No discussion.


Motion by Councilmember Bradford, **second** by Councilmember Hinojos to accept the reports. **Vote** – All members voted in favor. **MOTION PASSED.**

ADJOURNMENT

Motion by Vice Mayor Radcliffe, **second** by Councilmember Bradford to adjourn. **Vote** – All members voted in favor. **MOTION PASSED.** Meeting was adjourned at 8:06 p.m.



Debra Sommers, Mayor



Anna Flores, Town Manager

ATTEST:



Cathy Woolery, Town Clerk