

**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 19, 2016, AT 7:30 P.M.**

COUNCILMEMBERS PRESENT

Mayor	Sam Hosler
Mayor – Newly Elected	Debra Sommers
Councilmember – Newly Elected	Rose Bradford
Councilmember	Lana Dalton
Councilmember	Rudy Flores
Councilmember	David Herrera
Councilmember – Newly Elected	Samantha Misita - Telephonically
Councilmember	Sheila Stephenson

TOWN STAFF PRESENT

Town Manager	Anna Flores
Town Clerk	Cathy Woolery
Town Attorney	Steve Cooper
Town Fire Chief	Kenneth Piggott

VISITORS PRESENT

Ron Buckley	Matt Bingham
Diana Herrick	Gwen Dinwiddie
Carol Lewis	Carol Hosler
Joe Weller	Edna Lawrence
Bob Fox	

CALL TO ORDER/PLEDGE OF ALLEGIANCE

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

INVOCATION

Carol Hosler, Vicar of St. Michael's Episcopal Church Coolidge, delivered the invocation.

ROLL CALL

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

APPROVAL OF MINUTES

Motion by Councilmember Stephenson, **second** by Councilmember Dalton to approve minutes from the November 21, 2016 Regular Meeting and the November 28, 2016 Special Meeting. **Vote** - All members voted in favor. **MOTION PASSED.**

CALL TO THE PUBLIC

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

CANVASS OF 2016 TOWN OF KEARNY GENERAL ELECTION NOVEMBER 8, 2016

Town Manager Anna Flores provided background information for the General Election 2016. Debra Sommers was elected as Mayor and the Council must approve the canvass. Mayor Hosler offered Debra Sommers congratulations.

Motion by Councilmember Stephenson, **second** by Councilmember Dalton to accept the canvass of the November 8, 2016 General Election. **Vote** – All members voted in favor. **MOTION PASSED**

ANNUAL FINANCIAL AUDIT AND EXPENDITURE LIMITATION REPORT

Town Manager Anna Flores introduced Matt Bingham of Colby & Powell who is here to explain the audit. The audit resulted in no instances of non-compliance with Government Auditing Standards and the Town remained within the alternative expenditure limitation approved by the voters. Matt explained there were no material errors within the financial statements which management is responsible for. Government audits have multiple opinion statements for areas of governmental activities and business activities. The audit is risk-based approach. All opinion units resulted in an unmodified, clean opinion. All internal control processes were evaluated and no significant deficiency or material weaknesses were found. This is the first year there have been no findings. Matt also explained the pension liability for PSPRS and ASRS that now impact the financial statements since last year, GASB 65, and GASB 78, which will be an additional liability scheduled to hit two years from now. Funds are underfunded for pension liability for PSPRS and ASRS, and total liability for the Town of Kearny is approximately \$2M. Additionally, the total net position of the Town is \$9.3M and most of that is restricted which means there is not really any unrestricted funds for general purposes. Restricted funds are HURF, Court Enhancement, Public Safety, Debt Service, Repairs and Replacement, and CAP surcharge. The deficit has increased by approximately \$400K since the prior year. Mayor Hosler expressed he is not surprised of the financial situation and that Kearny is not recovering as much as some of the other communities from the recession Council is taking a close look at the financial life and meeting with our consultant. Town Clerk Cathy Woolery asked about the increased PSPRS rate of approximately 74% for next year from 34% and if that number is a final number for next fiscal year. Matt explained PSPRS is trying to get the large liability gone so the number may be high for next year. He knows communities that are almost matching the entire salary of their police. Matt commented that Town Manager Anna Flores and Town Clerk Cathy Woolery are doing a great job.

Motion by Councilmember Dalton, **second** by Councilmember Stephenson to accept the Annual Financial Audit and Expenditure Limitation Report for the fiscal year ending June 30, 2016. **Vote** – All members voted in favor. **MOTION PASSED**

APPROVAL OF RESOLUTION NO. 16-734 FOR KEARNY VOLUNTEER FIRE DEPARTMENT GRANT

Town Manager Anna Flores provided background information for this item explaining the Kearny Volunteer Fire Department is seeking a grant for the SCBA's – Self-Contained Breathing Apparatus, and Kenneth Piggott, Fire Chief, is here to answer any questions. The budget for this is in Equipment Purchases, line item 10-54-71. Mayor Hosler commented about being pleased they are applying for

the grant. Kenneth Piggott stated they apply every year and it is a very competitive grant. Mayor Hosler commented that the matching funds of 5% are budgeted for.

Motion by Councilmember Stephenson, **second** by Councilmember Dalton to approve Resolution No. 16-734 to approve the Kearny Volunteer Fire Department grant. **Vote** – All members voted in favor. **MOTION PASSED.**

APPROVAL OF RESOLUTION NO. 16-735 PRESCRIBING STANDARDS OF THE AMENDED FINANCIAL DISCLOSURE FOR LOCAL ELECTED OFFICIALS

Town Manager Anna Flores introduced this agenda item explaining that this past legislative session HB 2429 amended the financial disclosure statement required for candidates and public officers. Primary change is the new category of travel related expenses and also the report no longer requires specific names of public officer's spouse or children to be included as long as general description is provided and public officer provides work or home address. Also, the statement no longer requires notarization. This is effective January 1, 2017. Councilmember Stephenson asked if these means you have to put travel expenses on the report. Town Manager Anna Flores stated they are "exempt". Town Clerk Cathy Woolery explained they have to be reported on the report but they are exempt, whereas in the past no travel expenses had to be reported.

Motion by Councilmember Dalton, **second** by Councilmember Stephenson to approve Resolution No. 16-734 prescribing standards of the amended financial disclosures for local elected officials. **Vote** – All members voted in favor. **MOTION PASSED.**

DISCUSSION AND POSSIBLE APPROVAL OF REVISED INTERGOVERNMENTAL AGREEMENT FOR SHARING OF POLICE CHIEF SERVICES BETWEEN THE TOWNS OF MAMMOTH, HAYDEN, KEARNY, AND WINKELMAN

Town Manager Anna Flores explained upon the direction of Mayor Hosler she forwarded the Chief of Police IGA to the Arizona Municipal Risk Pool. The Risk Pool provided a revised draft of the IGA which addressed the concerns of workers' compensation, general liability, and professional liability. Councilmember Dalton suggested considering the circumstances that this item be put on the back burner until we have further information. Mayor Hosler stated that the Risk Pool met with the mayors and basically did not like either of the prior IGAs as far as liability. Attorney Steve Cooper stated there were some criticisms stated in the email received by the Risk Pool. The Risk Pool will be defending any claim that arises out of this, and the Risk Pool will defend this for all entities because all the communities have the Risk Pool. Councilmember Dalton still feels we need to table the item because we have no applicant at this time to accept the position. Councilmember Stephenson also agrees with tabling the item and says we were not given any reason why Sergeant Blue did not accept the position. Mayor Hosler explained that Sergeant Blue does not sign the IGA. Councilmember Herrera commented that this is structural setting up the foundation for how the position is paid. Councilmember Dalton said yes, but the agreement also includes salary, and she wants to make sure whoever steps into that process is in agreement with the IGA. Councilmember Herrera stated he had the most objection last time because of the liability protection with the poor way it was written, but he feels that it was to structurally create a position for a chief so the salary could be paid by three entities. He feels it looks good, but the only thing he asks that in the future Winkelman should take a more

active financial role. Also, the PSPRS ACR would be a cost that Winkelman does not have to pay and is not sharing the burden. It is important for us to accept the structural foundation and agree to create the IGA without waiting for someone to run or not to run, and need to move on. Mayor Hosler expressed that Winkelman is one of the smallest towns in Arizona and are paying Hayden through an IGA. Mayor Hosler stated we cannot even go looking for a Chief unless we have an IGA structure in place. Councilmember Stephenson expressed she still thinks it needs to be tabled and would like some explanation as to why things did not go through. She would like the newly elected Mayor to meet with Bobby Smith. Councilmember Dalton asked if Town Manager Anna Flores was able to reach Sergeant Blue. Town Manager Anna Flores stated she spoke with Debra Sommers, and she will be reaching out to Bobby Smith. Mayor Hosler commented that he was unable to reach Sergeant Blue. Councilmember Herrera stated that the technicality is that we are discussing personnel issues during a council meeting which in theory he feels should have been discussed in executive session as to a specific person. He said we are structurally trying to set up a funding source, and if people remember he was the most adamant against the IGA; but now that it is corrected he does not feel there is a reason to hold it up. Attorney Steve Cooper responded with regards to the personnel issue the applicant Sergeant Blue was applying to the Town of Hayden and any confidence with regards to personnel issues would belong to Hayden not to Kearny. He would not be a signer on this IGA. The IGA is basically for funding as Councilmember Herrera pointed out. The IGA would be funding \$65K plus the benefits which total approximately \$92K and the Town share would be \$30,878 under the IGA. The amended IGA was approved last Thursday in Mammoth and was approved tonight in Hayden. Mayor Smith told the councilmembers that there was a breakdown of Sergeant Blue taking the job, and he did sign the back of the contract stating he declined the job. He did not provide a reason for declining. Hayden is going forward with the IGA and reposting the job application. The IGA is a political and policy decision of the Town if they decide share a police chief, but as far as any individual getting any more money in the IGA all parties would have to be aware of that and come back. Right now if this IGA is passed and Hayden gives more money than what the Town's share is, Kearny's share is capped at roughly \$31K. Councilmember Flores questioned the money due to Hayden receiving money from Winkelman. He commented they are actually paying less than \$31K compared to Kearny and Mammoth. Attorney Steve Cooper expressed that yes they will be getting something from Winkelman for doing patrolling services with their police department in their jurisdiction. Councilmember Herrera explained he was commenting that in the future he thinks Winkelman should be paying. Attorney Steve Cooper expressed that the cost of hiring an entry level police officer plus all benefits now is probably about \$95K which does not even include equipment or vehicle. The Council would need to decide if the IGA is in the best interest of the Town.

Motion by Councilmember Herrera, seconded by Mayor Hosler to accept the item as discussed and agree to the IGA. **Vote** - Mayor Hosler and Councilmember Herrera voted in favor. Councilmembers Dalton, Flores, and Stephenson voted Nay. **MOTION FAILED.**

Motion by Councilmember Dalton, second by Councilmember Stephenson to table the item. **Vote** – Mayor Hosler, Councilmembers Dalton, Flores, and Stephenson voted in favor. Councilmember Herrera voted Nay. **MOTION PASSED.**

INFORMATIONAL ITEMS

Town Manager Anna Flores thanked the Mayor, Council, and Staff for all the hard work this year. She presented all accomplishments that were completed this past calendar year. Repaired filtration plant,

repaired electrical Griffin pump station, replaced 16 fire hydrants, purchased two public works vehicles, replaced the library roof, repaired the town yard building, completed the swimming pool repairs, purchased an ADA compliant lift, completed new Ramada to shade swimming pool pumps, repaired the roads – Mountain View, Essex, Fairhaven and Greenwich, brought manholes level with pavement, water tanks videoed and inspected, UV lamps replaced at wastewater treatment plant, repaired fire department heating and cooling, purchased 10 new firefighter turnouts, gave firefighters financial honorarium, installed police department new phone system, completing USDA grant for water tanks and WIFA grant for wells #3, 4, 6, 7, & 8, balanced the budget, updated floodplain ordinance, obtained new picnic tables and painted buildings with ASARCOs financial and community service support. Also, ASARCO financed a hydrogeologist for a report on wells. We are going to start charging for lake campgrounds that will bring in revenue, a volunteer team of high school students with the help of Tom Herbst clean yards, created yard of the month recognition, received recognition as a gateway community to the Arizona Trail, and received a clean audit. Janet, our librarian, started coffee and conversation at the library, expanded the ladies tea party, and is working on the Memory Project. Also, the library purchased video equipment and a digitation station. The Magistrate Court also received a clean audit.

REPORTS

Mayor Hosler asked if there was any discussion on the reports. Mayor Hosler expressed to Fire Chief Piggott that his report was very thorough and shows all the hard work the fire department does on a volunteer basis that takes up a significant amount of time. No questions on reports.

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

MAYOR'S AND COUNCIL MEMBER COMMENTS

Mayor Hosler expressed his love and appreciation for Kearny. He also shared that he first heard about Kearny in the Arizona Republic paper in the 1960s. His uncle had worked construction for the development of the Town of Kearny. Kearny was going to involve the moving of Towns and bringing together towns of Hispanic and Anglo with disparate salaries. These heritages were brought together and he feels that should be celebrated and treasured. He thanked God for everyone, all city workers, volunteer fire department, and ambulance services that have improved services and financial situation. Water services he feels will turn around by next year and become stabilized. He complimented Ramon on doing a wonderful job. He thanked the volunteers and plans to stay on the Journey for a Clean Kearny committee. He also thanked Town Manager Anna Flores and Cathy Woolery for their work and support. He feels with the new Mayor coming in and the new councilmembers this will be an exciting time and also embarking on the 10 year plan. Councilmember Herrera expressed thanks to the council, Anna Flores, staff, and everyone. He said his comments and actions were intended for the betterment of Kearny and sees Kearny moving in a positive direction. Councilmember Flores expressed that he has enjoyed working with everyone here and the public crowds. He has learned a lot during his four years. He feels the Town is in good hands. Mayor Hosler presented outgoing Councilmember Flores and Councilmember Herrera with gifts for their dedication and commitment to the Town of Kearny. Councilmembers Flores and Herrera were presented with engraved clocks. Town Manager Anna Flores thanked Mayor Hosler for his dedicated service and commitment to the Town. Town Manager Anna Flores and Town Clerk Cathy Woolery presented Mayor Hosler with an engraved cactus gift as appreciation for his years of service.

SINE DIE

Town Attorney Steve Cooper explained under the Election Law Manual the new council must be sworn in within 20 days of the canvass of the vote. This is a two part council meeting with the old council ending with adjournment. The next part of the meeting will be the new council being sworn in to take office and at that time their term begins.

ADJOURNMENT

Motion by Mayor Hosler, **second** by Councilmember Herrera to adjourn. **Vote** – All members voted in favor. **MOTION PASSED.** Meeting was adjourned at 8:01 p.m.



ORGANIZATIONAL MEETING OF THE COUNCIL-ELECT

Mayor Hosler called the meeting to order. Judge Orzell administered the oath of office to Mayor elect Debra Sommers. Judge Orzell gave the oath of office to councilmember elects Rose Bradford, Samantha Misita, and Sheila Stephenson. Mayor Sommers requested a motion to move the appointment of the Vice Mayor to the January meeting because so many councilmembers are absent.

Motion by Councilmember Stephenson, **second** by Councilmember Dalton to table appointment of Vice Mayor until January. **Vote** – All members voted in favor. **MOTION PASSED.**

Adjournment

Motion by Councilmember Bradford, **second** by Dalton to adjourn. **Vote** – All members voted in favor. **MOTION PASSED.** Meeting was adjourned at 8:40 p.m.


Debra Sommers, Mayor

Anna Flores, Town Manager

ATTEST:


Cathy Woolery, Town Clerk