

**TOWN OF KEARNY  
TOWN COUNCIL WORK SESSION MINUTES**

**WORK SESSION OF THE TOWN COUNCIL OF THE TOWN OF KEARNY, ARIZONA, AT  
THE KEARNY TOWN HALL LOCATED AT 912-C TILBURY DRIVE ON THURSDAY,  
OCTOBER 4, 2017, AT 1:30 P.M.**

**COUNCILMEMBERS PRESENT**

Mayor	Debra Sommers
Vice Mayor	Daniel Radcliffe
Councilmember	Rose Bradford
Councilmember	Samantha Misita
Councilmember	Sheila Stephenson

**TOWN STAFF PRESENT**

Town Manager	Anna Flores
Town Clerk	Cathy Woolery
Public Works Director	Ramon Camacho

**VISITORS PRESENT**

Richard Salvidar – Nueva Benefits Group, Inc  
Pat Walker – Pat Walker Consulting LLC

**BUDGET DISCUSSION**

Richard Salvidar, Broker, of Nueva Benefits Group, Inc. explained the various medical insurance renewal options for the Town of Kearny. He stated the United Healthcare Dental Plan will remain at the same cost to the Town with the same renewal benefits. Medical and vision options presented included the option to renew the current plan which is a grandfathered plan or seek different options with companies such as United Healthcare, Blue Cross/Blue Shield of AZ, Humana, and Aetna. Richard presented the various medical benefits, deductibles, and premiums for each plan explaining the current grandfathered plan as the recommendation for the Town of Kearny due to a competitive rate, 100% coinsurance, affordable copays, and a large provider network. He addressed questions from the Council and staff regarding other options. The cost of the grandfathered HealthNet HMO plan will be \$720.71 singles; \$1,584.47 couples; single plus children \$1,368.41; family \$2,304.69. This is a 5.4% overall increase from the current rates.

Pat Walker presented a budget and forecast financial plan for the Town of Kearny. She explained a financial plan is a long-term plan which helps to set goals and strategies to achieve the goals. This is based upon mutual agreement between Council members on how to sustain financial stability while maintaining quality services to the citizens. She explained the Town of Kearny has historically used their contingency reserve for the general fund, and it is currently assumed at 12% which is about 6 weeks of operating expenditures. Recommendation is at least 8 weeks depending on revenue fluctuations. The Town is having to use the contingency to balance the budget. In summary Pat explained an overview of the budget with actual revenues exceeding budget by \$42; actual expenditures under budget by \$431,831, but \$468,560 of the fund balance was needed to balance the FY18 budget; utility revenues were \$5,594 less than budget; utility expenditures were \$249,841 less than budget, but \$262,291 fund balance was needed to balance the FY18 budget. Pat has also suggested the Council think about having a capital contingency which would be for replacement of vehicles and equipment for long term financial planning. Also, the Town might consider completing rate studies for water and sewer. Interfund Transfers to the general fund from HURF, Ambulance,

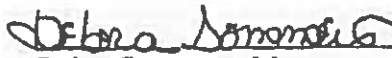
**Work Session**


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Sanitation, and Utility funds were also discussed. This has been budgeted for this fiscal year as it has in the past; however, need to do analysis of the numbers to substantiate the amounts for transfer. Regarding HURF there were questions regarding what qualifies as a HURF expenditure, such as sidewalks, weeds, and maintenance. The LTAF fund – Local Transport Assist Fund was addressed with the question of whether to continue providing senior van services in FY18. The senior van costs the Town approximately \$8,500 per year. The van was originally funded with a grant that now has no funding and the Town was unable to obtain new grant funding. The decision to continue providing the van to seniors was presented with options of the seniors being willing to pay per person for some trips, reducing number of trips per month, and possibly seeing if the program can be outsourced to an outside transportation company. The van makes approximately four trips per month with an average of five to six riders. The next item discussed was the cost of the transfer station and if the Town can continue to fund it. The transfer station costs the Town approximately \$12,960 per year. Several options were presented which included keeping the transfer station open with revenues contributed from the Winkelman National Resource Conservation District, charging \$5 per truckload, and not having the transfer station due to the free bulky pickup which RAD provides each month. Also, there were questions regarding what specific expenditures are included in the fire calls line item in the budget and also what the procedure for election of fire chief is. Public Works departmental issues of future staffing, certifications, and training were also addressed with various suggestions such as hiring, outsourcing, and internal training. Items that need more information will be followed up by Town staff and items will be presented at future council meetings as necessary.

Meeting was adjourned at 4:08 p.m.

  
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Debra Sommers, Mayor

  
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Anna Flores, Town Manager

ATTEST:

  
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Cathy Woolery, Town Clerk