

Upon notice duly given under Arizona Revised Statutes, Section 38-431, et seq., as amended, the City Council of the City of Bullhead City held a Special Meeting on Monday, May 13, 2019, in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

CALL TO ORDER

Vice Mayor Ring called the special meeting to order at 12:00 Noon.

ROLL CALL

Council Present

Bruck, Clark, D'Amico, Ring, Shutts, Wegmann

Council Absent

Brady

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

CITY MAGISTRATE: Peter Psareas

POLICE CHIEF: Brian Williamson

DEVELOPMENT SERVICES DIRECTOR/BUILDING OFFICIAL: Glen Wiltse

HUMAN RESOURCE MANAGER: Absent

FINANCE DIRECTOR: Rudy Vera

TECHNOLOGY SERVICES MANAGER: Randy Scheffert

FINANCE ADMINISTRATOR: Robert Drexler

BUDGET ANALYST: Debbie Catalfamo

PARKS AND RECREATION SUPERINTENDENT: Dave Heath

TRANSIT MANAGER: Michael Peluso

DISCUSSION ITEM

Discussion relating to the proposed City of Bullhead City Budget for the Fiscal Year beginning July 1, 2019, including proposed revenues, expenditures, and programs for all governmental funds.

City Manager Cotter said the budget funded many community priorities identified by the City Council and management; such as employee compensation and benefits, Community Park Section 12 development, Census 2020 complete count, sustained senior nutrition program, complete the purchase of water rights from Kingman, additional funding for Gary Keith Park, funding for the second Bullhead-Laughlin Bridge, and the Corwin Road traffic signal.

Finance Director Vera said the General Fund was \$30.2 million, Special Revenues \$9 million, Debt Services \$4.9 million, Capital Projects \$8.6 million, and the Enterprise Fund \$18.6 million, for a total expenditure of \$71.3 million. He said the Internal Service Funds were \$8.3 million. He said the total appropriations proposed for this year's budget were \$79.6 million, which reflected an 11.6 percent increase over the last year.

Finance Director Vera said state law required the city to present a balanced budget with sufficient financial resources for budgeted expenditures and estimated revenues based on current available information compared to expected expenses. He said the Economic Estimates Commission provided an annual expenditure limitation based on fiscal year 1980 which was adjusted for

changes in population and inflation. He said the city had used a zero-based, line-item budget for the last ten years that included all line items for the public to see.

Finance Director Vera said the budget funds were like individual checking accounts, and said each fund was set up for a specific purpose. He said the General Fund was the city's primary operating fund; the Special Revenue Fund was used for specific projects; the Debt Service Fund was used for long term debt; the Capital Projects Fund was used for major capital facilities; the Enterprise Fund was used for business type activities (wastewater); and the Internal Service Fund was used for internal departments.

City Manager Cotter said revenue was the income a local government needed to pay for all of the services it provided. He said the major sources of revenue were: local taxes, state shared taxes, and other sources such as grants, fees, and donations. He said the local transaction privilege tax was two percent; adopted on April 4, 1989, which was the same tax rate for 30 years. He said state shared revenue included state income tax, state transaction privilege tax, vehicle tax, and Highway User Revenue Funds (HURF). He said tax revenue for Bullhead City was based on the economy. He said operating revenue in the General Fund included local taxes at \$15.1 million (47%); state taxes at \$12.4 million (39%); and fees at \$4.3 million (14%).

Finance Director Vera said they estimated a 3.6 percent increase in tax revenue, 8.1 percent increase in intergovernmental revenue; 3.7 percent increase in fees, and a 5.4 percent increase in operating revenues. He said the fund balance reserve was \$1,200,000.

City Manager Cotter said proposed one-time capital purchases to be paid out of the General Fund Reserve included: Census 2020 (\$200,000); Commercial Launch Ramp (\$225,000); Resurface pool (\$60,000); Sunshine Marina grant match (\$50,000); Rotary Park paved parking lot (\$150,000); three park utility vehicles (\$21,600); three work trucks (\$93,000); and police department roof repair (\$137,250) for a total of \$936,850. He said the city had spent millions of dollars on street improvements each year; and said this year the proposed street improvement budget was \$1.4 million.

City Manager Cotter said new revenue was based on the growth of the economy with new home construction, increased tourism, sporting tournaments, the new Fieldhouse, and ample water for future growth. He said the conservative city sales tax budget was projected at 3.6 percent growth. He said challenges included the fact that shoppers were buying goods outside of the city, the public safety retirement rate had increased, replacement of aging fleet vehicles was required, and personnel costs.

City Manager Cotter said the budget for public safety retirement was \$2,805,636, or an increase of 14.9 percent. He said most vehicles were fully depreciated, and the proposed budget included \$200,672 for replacements. He said the city was paying \$4,079,287 for employee health insurance; a 2.8 percent cost of living adjustment of \$426,369; an annual pay plan step increase of \$335,792; longevity for employees with ten or more years of service at \$164,789; and accrued leave payment for eligible employees at \$222,185.

City Manager Cotter said park improvements included budgets for Community Park Section 12 (\$200,000); the Community Park boat launch (\$225,000); Gary Keith Park (\$100,000); and Rotary Park (\$300,000). He said the second bridge infrastructure was proposed at \$3,180,315, and the

purchase of Kingman water was \$2,800,000. He said additional full-time positions were proposed. He said an Office Assistant I for Development Services was added to this year's budget mid-year, and said new positions included a re-authorized Assistant Public Works Director, an Emergency Services Dispatcher, and a grant-funded Veterans Treatment Court Clerk.

City Manager Cotter said the fund balance was projected to be \$11.4 million, less projected one-time projects spent in 2020, for an ending balance of \$10.5 million. He said they were comfortable with this as their revenue projections were moderate.

Finance Director Vera said "Open Gov" was the interactive financial reporting tool that included historical financial data and financial transactions greater than \$5,000 for five years. He said this information was provided on the city's website, as well as the Comprehensive Annual Financial Reports which were the official audited financial records for the city.

City Manager Cotter said the tentative budget would be adopted at the June 4th Council meeting, the budget schedules would be published on June 9th and June 16th, and said the final budget would be adopted at the June 18th Council meeting with an official public hearing.

Police

Police Chief Williamson said they requested one additional Emergency Services Dispatcher position. He said dispatchers answered about 71,000 calls per year. He said currently there were 16 positions in that division, but said they were short four positions. He said to help reduce overtime due to illness and vacations, an additional position was requested.

Council Member Bruck asked if the four currently open positions would be filled in the near future. Police Chief Williamson said they were hoping to fill the positions soon, as there were some potential candidates currently undergoing the application, hiring, and training process.

Police Chief Williamson said the budget included \$132,000 for contract employees serving on the weekend water safety river patrol. He said \$12,617 was requested to upgrade 78 cell phones from iPhone 6 to 8.

Police Chief Williamson said their training costs were set up within different categories, such as: seminars and conferences, lodging, transportation, per diem, books and subscriptions, dues and memberships. He said all of the training was specialized, and said the training budget was similar to last year. He said \$9,000 was allocated for the Western Arizona Law Enforcement Association training in order to share training costs with surrounding agencies. He said they were able to reduce the cost for individual recruit training at \$1,500. He said additional training was included for new forensics employees. He said \$5,000 was included for range supplies and repairs for target training equipment, \$1,900 for motorcycle uniforms, \$5,050 for equipment lockers, \$1,175 for ten riot shields, \$1,650 for dive team scuba tanks, and \$20,000 for SWAT ballistic vest panels. He said Kevlar vest material has a life of five years, and said it was time to replace the SWAT equipment. He said \$8,500 was requested for property and evidence inventory control software to provide the ability to run the inventory by location and receive a detailed inventory report.

Animal Care and Welfare

Police Chief Williamson said minor changes were made in this year's budget. He said the replacement of a van and six cell phone service upgrades (\$1,200) were requested.

Council Member Wegmann asked if the new phones came with a warranty. Carina Spotts said the cell phone supplier provided great service and pricing.

Public Works

City Manager Cotter said the administration budget reflected the lower rates for staffing this year. He said additional costs for the engineering consultants working on the EPCOR evaluation process were included.

Engineering

City Manager Cotter said not much has changed in this section.

Facilities Management

City Manager Cotter said \$137,250 was included to perform repairs to the lower Police Department deck roof; \$86,530 to replace the cooling tower; \$14,285 for chiller control upgrade; and \$12,000 capital outlay for split unit replacements.

Council Member Bruck asked if the Senior Nutrition Center would have its roof repaired this year. Public Works Operations Manager Farnell said funding was included in this year's budget to perform the roof repair.

Street Maintenance

City Manager Cotter said every street light account and cost in the city was included. He said street supplies increased to \$989,000; street patching supplies increased to \$100,000; asphalt was \$119,000, due to the amount of maintenance work that would be performed in-house using city labor and equipment. He said the annual street maintenance program was budgeted at \$1,025,027. He said \$30,000 was allocated to construct a block wall on Trane Road.

Finance Director Vera said gasoline was currently budgeted at \$2.80 per gallon for unleaded fuel and \$2.95 for diesel. He said prices had gone up, and this year the budget included \$2.95 for unleaded and \$3.05 for diesel fuel.

Public Works Operations Manager Farnell said capital outlay (\$230,211) for machinery and equipment included a hydraulic pump, message board, street patching applicator, replacement water tank, crack sealing router, traffic signal upgrade at Bullhead Parkway and Desert Foothills Blvd., and a water trailer.

Vice Mayor Ring thanked staff for doing an excellent job in maintaining the roads.

Street Lighting District

Finance Director Vera said this section summarized the energy costs associated with the city's lighting districts, and administrative fees charged by Mohave County for a total of \$71,246.

Fleet Services

Finance Director Vera said capital outlay included replacement vehicles: a six-seat golf cart (\$8,200); animal care vehicle (\$25,500); on-call truck (\$52,372), three parks trucks (\$93,000), and three utility task vehicles for parks (\$21,600). He said the auditors recommended that all vehicle expenditures be placed under the Fleet fund.

Fuel Facility

Finance Director Vera said \$425,000 had been allocated to replace the underground fuel tank. Interim Public Works Director Johnson said the city was in the bidding process to replace the tank, and they applied for ADEQ grant funding.

Wastewater

City Manager Cotter said the Wastewater budget was similar to last year. He said the major expenditures were included in the Capital Improvement Plan. He said the Wastewater budget included an expenditure of \$93,370 for spare replacement pumps for the Section 18 plant; a compact utility trailer (\$29,923); and a forklift (\$30,200).

Capital Improvement Plan

City Manager Cotter reviewed the projects in this year's CIP as follows: lift station rehab \$156,000; manhole rehab \$190,000; miscellaneous sewer improvements \$400,000; Section 10 plant improvements (filter) \$2,098,200; Section 18 plant improvements \$150,000; miscellaneous drainage improvements \$423,524; Rotary Park drainage improvements \$100,000; Secret Pass drainage improvements \$1,200,000; Community Park Section 12 improvements \$425,000; facility improvements \$46,000; Gary Keith Park improvements \$100,000; Rotary Park improvements \$300,000; Sunshine Marina \$450,000; BHC/Laughlin Bridge \$3,180,315; miscellaneous street improvements \$1,074,000; street construction \$175,000; and traffic signal improvements \$750,000, totaling \$11,218,039.

Council Member Clark asked if the north south interlink transfer station would be included in this year's CIP. He said the Bureau of Reclamation indicated the city was eligible for a grant that would fund a large portion of the project cost. He said the project needed to be included in the budget in order to apply for the grant funds.

City Manager Cotter said they would add \$750,000 for the interlink as part of the Enterprise Fund, and designate funds for the grant portion.

Council Member Clark suggested an update to the sewer master plan be included in the next year's fiscal budget.

Utilities Superintendent Wileman and Interim Public Works Director Johnson briefly reviewed the individual projects.

Council Member Clark said he had discussed the possibility of installing a tot track and a pump track in Rotary Park with Parks and Recreation Superintendent Heath. He proposed adding \$100,000 to the budget. He said this did not include the mountain bike trails, which would be grant funded. He proposed that \$10,000 be included in the budget in order to have the ability to apply for the grant funds for mountain bike trails.

City Manager Cotter said \$100,000 would come from the reserve fund, and said the grant fund would have zero dollar impact.

Parks and Recreation Superintendent Heath said he would look into the grant opportunities available for both the mountain bike trails and tot/pump tracks.

City Manager Cotter said they budgeted \$50,000 for the Sunshine Marina project, along with a \$400,000 grant from Arizona Game and Fish. He said he would keep the Council posted on the project.

Legal Services

City Attorney Emery thanked all staff members for working with the Legal Department throughout the year. He said current staffing levels had not changed. He said computer software upgrade to replace *Prolaw* was included in the amount of \$16,000. He said staff took advantage of local training opportunities whenever possible, and said the training budget was moderate.

Municipal Court

City Magistrate Psareas said the court budget included \$5,000 for additional security in the lobby area. He said the Veterans' Court budget included \$24,000 for ordered testing, counseling, networking and support services, and \$24,000 for a part-time public defender. He said the Veterans' Court ran twice per month. He said they hired a part-time Veterans' Court Coordinator position, which was grant funded. He said prison inmate costs have decreased this year from \$419,000 to \$310,000.

Development Services/Code Enforcement

Development Services Director Wiltse said the department was extremely busy in the middle of a construction boom. He said the Code Enforcement Department had removed 52 dilapidated homes and performed 168 abatements to date. He said there were 167 new home permits through the end of April, and said last year they issued a total of 144 permits for the entire year.

City Manager Cotter said additional part time wages (\$16,096) was added to provide additional front building counter help. He said \$45,000 was allocated for nuisance abatements and \$200,000 for dangerous building abatement demolitions for the next year. He said the city received some revenue from property liens to offset the expense.

Financial Administration and Technology

Finance Director Vera said additional funds were allocated for travel and training for new staff members.

Technology Services Manager Scheffert said the technology budget was basically the same as last year. He said software and hardware agreements increased 12 percent, and said there was a slight increase in the Wi-Fi and cellular service. He said additional funds were allocated to replace laptops, laptop mounts, computers and equipment for the Police Department.

Human Services

Community Services Director Tipton provided an overview of the divisions within the department. He said many of the divisions were grant funded. He said there were no changes in the personnel budget this year.

City Manager Cotter said the \$20,000 for the homeless resource center would shift from the current center to the new facility on North Oatman Road.

Recreation Services

City Manager Cotter said the Section 12 recreation concession lease expense previously paid annually to the Bureau of Land Management had been reduced from \$22,500 to \$100.

Parks and Recreation Superintendent Heath said there was an increase in travel and training for staff this year. He said the funds for the snack bar food and drinks for resale were moved to the Recreation Services budget (\$15,000). He said \$6,295 was included for a 20 foot inflatable screen for the movies in the park. He said repair budget to the Suddenlink Community Center was moved from the maintenance budget in the amount of \$15,000. He said equipment required to maintain the Community Center was included (\$8,999). He said there was an increase in custom printing; largely due to the watercraft rental consumer protection forms (\$6,500). He said \$4,600 was allocated to purchase two new replacement pool covers.

City Manager Cotter said at this time, no funding had been included relating to the new Anderson Auto Group Fieldhouse. He said over the next year, they would be better able to make a determination.

Council Member Clark said the city could work with the School District and come up with ideas to fill it. He asked if funds should be included in next year's budget to cover any costs that might occur.

City Manager Cotter said a budget amount was not necessary at this time. He said they would know much more in the near future about the process and sharing of revenue and what the following year's budget should be.

Parks and Recreation Superintendent Heath reviewed the budgets for city events such as the Splash Bash, Winter Festival, Senior Games, Farmers' Market, Street Fest, and the Fishing Derby. He said the event expenses were offset by donations, advertising, volunteers and sponsors.

Parks and Recreation Superintendent Heath said the parks maintenance budget reflected an increase in the other wages category in order to keep up with the maintenance over the busy summer weekends. He said the city had a plumber on staff that helped keep the plumbing repair costs down. He said there was a slight increase in the sports lighting remote equipment maintenance line item. He said the capital outlay for site improvements included \$10,000 for asphalt repair; \$70,000 for a replacement slide, or slides, for the municipal pool; \$60,000 for resurfacing the municipal pool; \$12,000 for a replacement climbing wall and playground parts for Community Park; \$8,000 to upgrade solar lights at Community Park; a field rate \$14,710; a mini excavator at \$18,000; and \$12,000 for skid steer equipment.

HOME Program

Community Services Director Tipton said the HOME grant for 2018 was \$180,000 and the HOME grant for 2019 was \$240,000; and said these were reimbursed by the Arizona Department of Housing. He said \$86,815 in housing rehabilitation funds under the CDBG program would be used to provide improvements for those who qualified.

Transit/Senior Transportation

Transit Director Peluso said 76 percent of the transportation program costs were reimbursed through grants. He said the fuel budget would increase but would be covered through the grant application. He said vehicle repairs and services increased by 13 percent because the cost of parts had increased over the past year. He said a replacement paratransit van was requested, and said \$10,000 was budgeted to cover the city's portion of the cost.

Senior Nutrition Center

Community Services Director Tipton said there were no significant changes in this budget.

Pest Abatement

Community Services Director Tipton said a new pest abatement manager was hired and should begin employment starting on July 1st.

Vice Mayor Ring adjourned the meeting for a dinner break at 3:58 p.m. The meeting reconvened at 4:28 p.m.

City Manager/Public Information

City Manager Cotter said \$1,900 would be removed from Other Professional Services for *Livestories* online data reports. He said the remainder of the budget had no significant changes from last year.

City Manager Cotter said the Public Information budget included costs for custom printing which were offset by advertising and sponsorships for events. He said \$7,500 was requested for video equipment.

Census

City Manager Cotter said \$200,000 was allocated for the 2020 census program. He said the program would start in the Fall, and said the census was critical to the city's budgetary needs as an undercount would devastate the city in the future. He said grant opportunities might be available.

Personnel Administration

City Manager Cotter said there were some increases this year; such as the employee health insurance costs, liability risk premiums, and workers' compensation premiums. He said the medical, dental, and vision plan costs increased 11 percent.

Economic Development

City Manager Cotter said an additional \$5,000 was included for the Bullhead Area Chamber of Commerce. He said the new Holiday Inn would provide additional revenue to help promote tourism.

Council Member Clark asked if the additional TPT tax revenue from the Holiday Inn could provide more than \$5,000 for the Chamber.

City Manager Cotter said there would be only a few months revenue this year. He said they could add a "Chamber Marketing" line item to the budget next year. He said they would need to meet and discuss the options.

Laughlin Retreat

City Manager Cotter said this budget included all of the costs to maintain the property.

General Services

City Manager Cotter said this category included shared general government expenses for telephone, public defenders, tuition reimbursement, equipment leases, studies, shredding, office supplies, awards, postage, dues and memberships, and fund transfers. He said the strategic plan initiatives budget increased from \$40,000 to \$60,000 to fund the revitalization work from First to Seventh Streets in original Bullhead.

Real Estate Owned

City Manager Cotter said this \$45,000 budget included real estate appraisals and delinquent taxes on city acquired properties.

Water Resources/Water Impost

City Manager Cotter said this budget included city water conservation initiatives (\$50,000) and a water conservation program (\$250,000). He said the Mohave County Water Authority savings for the recovery fund in the amount of \$253,600; and \$100,000 for the expansion of the effluent system

were included. He said \$2,800,000 was included to pay the Mohave County Water Authority for the Kingman water purchase of 3,255 acre feet.

Mayor and City Council

City Manager Cotter said there were no significant changes to this budget except for a slight increase in seminars and conferences.

City Clerk/Elections

City Clerk Stein said an election was proposed for November 2019. She said \$83,550 for the election and publicity pamphlet was budgeted. She said this election would be a stand-alone and said the Council would have the option of holding an all-mail or polling place election.

City Clerk Stein said there was a small decrease in education costs as the Deputy City Clerk had completed the requirements to obtain the Master Municipal Clerk designation.

Revenues

City Manager Cotter said the line item breakdown of all city revenue and corresponding categories was included for reference. He said the estimates were conservative.

ADJOURNMENT

Vice Mayor Ring declared the special meeting adjourned at 4:59 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct record of the special meeting of the City Council of the City of Bullhead City held on the 13th day of May 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 18th day of June 2019.



Susan Stein, MMC, CPM
City Clerk