

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 May 15, 2017, in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

CALL TO ORDER

Mayor Brady called the special meeting to order at 3:00 p.m.

ROLL CALL

Council Present

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

Council Absent

None

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

FINANCE DIRECTOR: Rudy Vera

POLICE CHIEF: Brian Williamson

PUBLIC WORKS DIRECTOR: Pawan Agrawal

DISCUSSION ITEM

Discussion relating to the proposed City of Bullhead City Budget for the Fiscal Year beginning July 1, 2017, including proposed revenues, expenditures, and programs for all governmental funds.

City Manager Cotter stated the city's budget process was solid, sustainable, and transparent, and said the public could provide comments throughout the process. He said over the last three years the city had been extremely conservative; but some of the city's infrastructure was failing which now needed to be repaired or replaced using monies from the general fund. He said public safety, street maintenance, and the park and recreation programs were the Council's top three priorities. He said the expenditure limitation had not been a problem in many years as they were not meeting the threshold. He said the budget was zero based, and said this was their eighth year of line item budgeting. He said each fund was set up for a specific purpose. He said revenue was the income a local government needed to pay for all the services it provided. He said the major sources of revenue were local taxes, state shared taxes, grants, fees, and donations. He said tax revenue included the local transaction privilege tax (TPT), state shared revenue, state TPT, vehicle tax, and highway user revenue funds (HURF). He said other sources of revenue were service charges, fees, special improvement districts, and flood control. He said they had many positive things to look at, but at the same time they needed to be very conservative in their approach. He said the city's economy was based on tourism, retail, and changed with the environment.

Finance Director Vera said general fund operating revenues included \$14.1 million in local taxes (49 percent); \$11.1 million in state taxes (39 percent); and \$3.5 million in other fees (12 percent). He said they projected a 6.6 percent increase in general fund operating revenues or about \$1.7 million. He said one-time capital purchases amounted to \$873,078 from the general fund.

Finance Director Vera said the capital purchases amount included an animal care and welfare van for \$25,500; site improvements at Section 12 for \$150,000; pickleball court for \$100,000; ADA access at Rotary Park for \$100,000; SWAT armored vehicle for \$150,000; five patrol vehicles for

\$214,668; three detective vehicles for \$65,000; and a broom sweeper for \$64,910.

City Manager Cotter said they had met their goal of resurfacing 20 percent of the city's streets this year. He said street repairs, patching, asphalt, curbs, and sidewalks amounted to \$377,736; the street improvement program was \$1,040,000; and the Bullhead Parkway rehabilitation was \$100,000. He said they proposed two positions for a slurry specialist and a slurry technician to run the slurry program. He said \$225,000 of the funding for street maintenance would come out of the general fund, and the remainder would come from gas tax dollars. He said \$132,500 would be used to fund the Colorado River Water Safety Program in order to reduce personal watercraft accidents on the river this summer, and said \$100,000 would be used for providing animal care services to Laughlin, which included a matching revenue portion.

City Manager Cotter said there were opportunities with the improving economy that helped to stabilize local sales tax and new home construction. He said the city and Laughlin would continue to attract tourists and said there was ample water for future growth. He said sports tournaments such as softball and soccer brought nationally ranked teams from all over the country to the city and provided a positive impact to local businesses. He said there were challenges to the retail sales tax revenue with shoppers buying goods outside of the city and the new Super Walmart in Fort Mohave. He said the public safety retirement expense amounted to \$2,314,719 this year, which increased by 36 percent from last year. He said it would continue to be an issue into the future. He said most city vehicles were fully depreciated, and said the proposed budget included \$528,168 from the general fund to replace some of the vehicles. He said health insurance for all full time employees cost \$3,679,570, and said any increases were not passed along to the employees this year. He said additional personnel costs included a one percent cost of living adjustment, longevity pay for employees with ten or more years of service, and accrued personal leave payouts.

City Manager Cotter said other city programs were funded such as \$35,000 for the veterans' court; \$20,000 for the homeless resource center; \$160,000 for the pest abatement program; \$35,000 for economic development initiatives; and \$33,000 for strategic plan initiatives. He said funding was included for park improvements in the amount of \$730,000 which included \$80,000 for Gary Keith Park; \$200,000 for Rotary Park; and \$450,000 for Veterans' Memorial Park. He said they included \$150,000 for the development of Section which had already been started. He said development would add public access, parking, ramadas, and simple beach front amenities. He said the Laughlin Ranch Boulevard Improvement District would cost the city approximately \$1,500,000 of the total project cost of \$4,500,000. He said the city would finance their portion of the Bullhead City Laughlin Bridge in the amount of \$2,128,400. He said the purchase of Kingman Water was budgeted for \$100,000; the city match of \$17,000 for replacement of a city bus; and \$12,000 toward a transit system upgrade.

City Manager Cotter said the number of full-time employees had remained stable since 2013 with approximately 285 employees, which was a sustainable number. He said they tried to be as lean as possible, and said there were 7.34 employees per capita in Bullhead City, which was less than Kingman or Lake Havasu. He said the estimated general fund balance after a drawdown of \$1,000,000 for proposed capital expenditures was projected to be \$9.2 million. He said the city's savings account had grown from \$6.2 million in fiscal year 2012.

Finance Director Vera said the city used *Open Gov* to post financial reports on line. He said *Open Gov* was an interactive financial reporting tool containing historical financial data for five years and

transactions greater than \$5,000. He said the Comprehensive Annual Financial Report (CAFR) contained the official audited financial records and could also be found on the city's website.

City Manager Cotter said the tentative budget would be adopted at the June 6th Council meeting; the budget schedules would be published on June 11th and June 18th; and said the final budget would be adopted at the June 20th Special Council meeting after a public hearing was held.

Police Department

Police Chief Williamson said this budget reflected the Council's priority of public service in a responsible manner maintaining the level of service to protect the public and keep the officers safe. He said there were new challenges in this day and age to the police force that required some specialized equipment.

Police

Police Chief Williamson said they had made personnel changes this year that have resulted in significant savings to the budget, approximately \$400,000. He said the number of sworn police officers was reduced from 76 to 71. He said they eliminated one sworn officer and put a civilian into the background investigation/human resources position, eliminated two civilian clerical positions, eliminated the sergeant position in charge of dispatch and hired a civilian to fill it, and eliminated a full-time detective position and would replace it with two part-time civilians who were retired highly qualified detectives. He said they added an officer position to Gang Intelligence Immigration Team (GITIM) which was reimbursed at 75 percent by GITIM, and said they eliminated a patrol sergeant position. He said the department should be fully staffed by the end of August 2017.

Police Chief Williamson said \$132,500 was included to fund the Contemporary Services Corporation (CSC) contract for weekend river patrol; \$3,000 for digital speed sign service in order to collect traffic data; \$16,620 for MorphoBis maintenance on the fingerprint identification system; \$127,737 for police radio system maintenance; \$7,560 for police radio system radio links; \$48,350 for dispatch communication equipment that was paid for by the Fire Department. He said the smartphone service increased to \$54,756 due to an increase in the number of phones from 45 to 76; and said \$3,000 was budgeted for additional citations which were issued to target behaviors that caused accidents. He said the training budget had increased as the department continued to experience retirements, and said funds were used to train new people in new positions and SWAT members. Council Member Clark asked if the department had enough manpower for backup in order to send people to training. Police Chief Williamson said they juggled schedules to accommodate any situation.

Police Chief Williamson said Racketeer Influenced and Corrupt Organizations (RICO) seizure monies were used to fund \$2,250 for gas mask replacement filters. He said another RICO charge would fund \$6,000 to purchase a .308 caliber sniper rifle as part of the SWAT team. He said they had a third sniper in training and needed another sniper rifle. Corporal Bruce Greisen, police sniper, explained the details of the weapon.

Police Chief Williamson said \$2,500 was included for ten Explorer uniforms; \$1,230 was included to replace two weapon clearing traps; \$1,900 for a restraint chair for the booking room; and \$770 for a new tablet/case for a motor officer. He said RICO funds would be used for two rifle rated

shields for \$9,500; \$23,757 for 50 rifle plate carriers; \$7,550 for ten patrol rifles; and \$11,325 for 15 ballistic helmets.

Mayor Brady asked Police Chief Williamson if the city had a full-time SWAT team. Police Chief Williamson said they did not have the resources for a full time SWAT team, and said the city's SWAT team was comprised of detectives and patrol officers that trained for 20 hours per week as a secondary duty.

Animal Care and Welfare

Police Chief Williamson said this department had not substantially changed from last year. He said \$100,000 was included for services and assistance provided to Laughlin for animal care. He said a slight increase was included for additional training of personnel.

Capital Outlay

Police Chief Williamson said \$28,500 was included for a direct link bridge crisis response system used in hostage situations; \$12,508 for a forensics evidence drying cabinet; \$33,864 for a grant-funded bomb suit; \$25,500 for an animal care & welfare van; \$153,000 for a SWAT vehicle to replace the current old bus; and \$214,668 for five patrol vehicles. He said the proposed SWAT vehicle was a fully armored Ford van with run-flat tires designed to secure the team/gear, fit ten people seated and additional people for quick movement, and said the van was built for citizen rescue purposes. He said the vehicle used regular parts and said the windows were armored with a film that broke down every five to ten years that would need to be replaced at a cost of \$1,500. He explained how military vehicles were designed for military use, and not purpose built for law enforcement. He said Bearcats were purpose-built, but cost \$350,000. He said the best option was the armored van.

Mayor Brady adjourned the meeting for a dinner break at 4:35 p.m., and reconvened the meeting at 5:09 p.m.

Public Works

Building Safety

Public Works Director Agrawal said there had been quite a bit of activity in this division over the past year, but said they were able to keep up without adding staff. He said the city was the last entity in the county to use the 2006 building code. He said they had budgeted for the upgrade to a newer code (2012).

City Manager Cotter stated additional wages in the amount of \$39,992 for part-time staff to help with the front counter, back office, or out in the field that would provide supplement help to existing staff.

Council Member Bruck as if \$12,641 covered just the purchase of new code books, and asked about additional expenses required for the update. Public Works Director Agrawal said additional expense would be mostly for staff training.

Code Enforcement

Public Works Director Agrawal said this department's mission was to improve neighborhoods through abatement. He said they removed 80 dangerous buildings last year. He said funding for this division had remained the same as last year.

City Manager Cotter said they had made significant progress with building abatement and said they wanted to see it continue.

Council Member Clark asked if the \$150,000 budgeted for abatement would cover the same number of buildings abated next year. Public Works Director Agrawal confirmed.

Engineering

Public Works Director Agrawal said the city managed a lot of construction projects in-house. He said one of the main activities for this division last year was inspecting and inventorying all of the streets to obtain an historical database. He said there had been no significant changes to the budget this year.

Facilities Management

Public Works Director Agrawal said staff had performed a lot of work in-house including chiller maintenance, converting lighting to LED, courtroom B remodel, and replacing air conditioning units. He said they had been budgeting for air conditioning replacements each year.

Council Member Ring left the meeting at 5:40 p.m.

Fleet Services

Public Works Director Agrawal said not many vehicles had been replaced in recent years, and said this division had been keeping up with the maintenance. He said this year they were able to repair more heavy equipment and diesel equipment. He said the road sealer machine and old fuel tanker used for slurry were being maintained. He said they were requesting to replace a pest abatement vehicle (\$25,000), two code enforcement vehicles (45,000), and three police detective cars (\$65,000). He said they were requesting \$11,000 less in tires.

Mayor Brady asked if \$65,000 would pay for three new cars. Public Works Director Agrawal stated \$65,000 was budgeted for the purchase of two new Impalas and one used car.

Public Works Director Agrawal said they budgeted a similar amount for gasoline and diesel as the prior year. He said the contingency amount of \$14,842 would cover any required repairs to the fuel dispensing system.

Non-Departmental General Services

Public Works Director Agrawal said this budget included copying, postage, and unemployment compensation.

Parks Maintenance

Public Works Director Agrawal said staff was involved with the tri-plex construction and would install the soccer lights on the new north field in Rotary Park. He said they installed heat pumps and solar at the municipal pool, safety material on most play areas in the parks, and an electrical interconnect at Rotary Park. He said the turf had been improved in all of the parks.

City Manager Cotter said funds were budgeted for bathroom supplies at the Colorado River Nature Center (\$2,200); asphalt repair in city parks (\$10,000); four gators (\$26,840), pool filtration and media sand replacement (\$40,000).

Planning

Public Works Director Agrawal said the division was responsible for planning the Section 12 development in-house. He said they also updated the General Plan in-house. He said there was no significant change in this budget from last year.

Public Works Administration

Public Works Director Agrawal said this unit had three employees that oversaw and assisted the entire department. He said they had been involved in the Bullhead City Laughlin bridge project with Clark County, which was expected to begin in 2018.

Street Lighting District

Public Works Director Agrawal said this was a pass through account for the street light special assessments.

Street Maintenance

Public Works Director Agrawal said staff applied 750,000 yards of street slurry and micro surfacing this year. He said a contractor applied 90,000 yards for a total of 840,000 yards in street maintenance, and said they would be able to meet their goal of resurfacing 20 percent of the city's streets this year. He said the cost was below \$1.00 per square yard and said the city would perform much of the street maintenance at a substantial savings. He said they also completed one lane of skim coat in both directions on Bullhead Parkway.

Mayor Brady asked if funds were included for striping the roads. City Manager Cotter said \$40,000 was included for glass beads and striping paint. Public Works Director Agrawal said they used a contractor for the major striping work because the city's equipment was not reliable for larger jobs. City Manager Cotter said \$15,000 was included for cold patch; \$100,000 for crack sealant; \$143,736 for asphalt; \$100,000 for micro surfacing; and \$1,040,000 for the neighborhood street improvement program.

Wastewater

Public Works Director Agrawal said this division performed an inspection of the city's ductile iron pipe and prioritized the repairs. He said the injection well project, funded by the federal

government, was also in process. He said Section 18 plant improvements were completed this year. He said the same level of staffing remained for next year.

Public Works Director Agrawal said they were requesting a backhoe purchase for \$160,000; an emergency bypass pump for \$80,000; and an end loader lease for \$42,790. He said the city was still paying on the debt service that had a balance of \$3 million. He said this division used monies from the wastewater enterprise fund.

Capital Improvement Plan

City Manager Cotter said \$10,651,539 of capital projects were proposed for 2018. He said all of the proposed projects would come back to Council for approval throughout the year. He said additional pickleball courts would require an amendment to the Master Plan, which would also come back before the Council for approval. He said they were proposing \$85,000 to fund the request from the Gary Keith Park Citizen Committee; and \$100,000 for design and construction of pickleball courts in Rotary Park.

Mayor Brady said he would like to see the loop road near the dog park in Rotary Park paved.

City Manager Cotter said \$150,000 was included for the development of the first phase of Section 12; and \$450,000 to finish the Sunshine Marina to be paid for by Arizona Game & Fish.

Council Member Clark said he would like to see the north south sewer interlink project completed as soon as possible in order to be able to pay off the 8,800 acre feet of water sooner. He said he was working to ensure the city would be able to sell the water downstream which could add \$200,000 to \$350,000 in additional revenue to the city. Public Works Director Agrawal said funding for this project would be included in next year's capital improvement plan. He said the membrane replacement for Section 18 and the sludge press were desperately needed this year. He said it would be difficult to fund the interlink project during this fiscal year, but said as soon as the money became available in the next fiscal year, they would fund the construction of the interlink project.

Mayor Brady asked if there were other options besides using the landfill and paying dumping roll off fees for sludge (\$185,000). Public Works Director Agrawal said they had explored other options; but said the county passed an ordinance banning land application of sludge, and the other options did not pencil out.

Mayor Brady asked if anyone from the public wanted to speak. No one from the public spoke.

City Manager

City Manager Cotter said the sponsorship coordinator position was moved from the Regatta budget to the City Manager's budget. He said that position was offset by the revenue brought in, and said the city made money from that position.

Public Information

City Manager Cotter said that a \$24,910 camera system was proposed. Communication Specialist Covert provided details about the system, and said there were companies that repaired the existing

cameras, but the cost would be more than the actual value of the equipment. He said the replacement cameras with high definition would help with their mission of communicating to the public. He said if the city continued to stay with standard definition, people would not want to view the city's videos due to the poor quality of transmission.

Personnel Administration

City Manager Cotter said the bulk of this budget contained health insurance costs. He said the Northwest Arizona Employee Benefit Trust (NAEBT) medical, prescription, dental, and vision insurance amounted to \$2,978,768, and said all administrative pieces of the health insurance were included under the NAEBT premium. He said claim administration was included in the general expense line item amount of \$693,275. He said \$671,000 was included for general liability and excess insurance coverage, and \$398,678 was included for the workers' compensation premium. He said \$200,000 was included to fund small claims settled in-house, damages and workers' compensation medical claims.

Water Resources/Water Impost

City Manager Cotter said this fund accounted for all revenues and expenditures paid for by the city's water impost fees. He said these fees were the primary source of funding for the purchase of additional sources of water. He said \$253,600 represented the Mohave County Water Authority savings for the recovery fund, and \$9,000 was included for the Lower Colorado River Multi-Species Conservation. He said \$50,000 was included for city water conservation initiatives and \$250,000 was included for other water conservation initiatives and rebate program.

Mayor Brady suggested providing rebates to local civic and non-profit organizations in order to replace older plumbing fixtures which would save on water consumption.

City Manager Cotter said \$15,000 was included for the Mohave Water Conservation District; \$20,000 to the Mohave County Water Authority for Kingman water holding fees; and \$100,000 of general fund money for the Mohave County Water Authority to pay down the Kingman water purchase of 130 acre feet. Council Member Clark stated the Kingman water purchase had to be paid off by 2020.

Non-Departmental General Services

City Manager Cotter said this category included telephone expense (\$99,456); two public defender contracts (\$205,213); and the city sales tax rebate agreement (\$475,000). He said the Veterans' Court was moved from this budget to the judicial budget this year.

Laughlin Retreat

City Manager Cotter said this category included \$59,696 to fund the care and maintenance of the property donated by Don Laughlin to the city. He said a potential sale or trade of this property could occur after December 15, 2020.

Economic Development

City Manager Cotter said this division accounted for expenditures used to improve economic conditions in the city. He said the city partnered with the Bullhead Area Chamber of Commerce to promote tourism for \$60,000 annually. He said \$35,000 was included for economic development initiatives and additional funding was included for attending economic development seminars and convention booths.

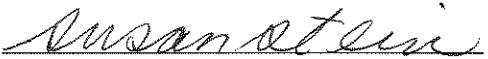
ADJOURNMENT

Mayor Brady declared the special meeting adjourned at 7:01 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 15th day of May 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of June 2017.



Susan Stein, MMC, CPM
City Clerk