

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 Tuesday, May 12, 2020, in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

**CALL TO ORDER**

Mayor Brady called the special meeting to order at 1:00 p.m.

**ROLL CALL**

Council Present

Brady, Bruck, Clark (via Zoom video conference), D'Amico, Ring, Shutts (via Zoom video conference), Wegmann

Council Absent

None

Staff Present:

CITY MANAGER: Toby Cotter  
CITY ATTORNEY: Garnet Emery  
CITY CLERK: Susan Stein  
FINANCE DIRECTOR: Rudy Vera  
HUMAN SERVICES DIRECTOR: Jeff Tipton  
CITY MAGISTRATE: Peter Psareas  
POLICE CHIEF: Brian Williamson  
DEVELOPMENT SERVICES DIRECTOR/BUILDING OFFICIAL: Saritti Chooniyom  
HUMAN RESOURCE MANAGER: Brenda Richardson  
TECHNOLOGY SERVICES MANAGER: Randy Scheffert  
PARKS AND RECREATION SUPERINTENDENT: Dave Heath

**DISCUSSION ITEM(S)**

Discussion relating to the proposed City of Bullhead City Budget for the Fiscal Year beginning July 1, 2020, including proposed revenues, expenditures, and programs for all governmental funds.

City Manager Cotter said the budget was line-item based and very transparent, and said the format made it easy for the public to see where the dollars went. He said \$2,357,175 in expenses would be deferred until funds were available to pay for them. He said due to COVID-19, the city saw a slight dip in revenues during the month of March. He said all tournaments and activities were shut down as of mid-March, and said revenue was down 10.2 percent from last March. He said they were worried about the state sales tax collections and said they had to plan for that. He said the city built up a good savings account over the years. He said the savings amount in 2010 was \$5 million, and said now the savings account was \$12.3 million due to good leadership by the City Council. He said it was uncertain when the Laughlin resorts would re-open and said the fall tournaments depended on having 2,000 to 5,000 rooms available. He said another question they could not answer today was what the federal government would do. He said the city had received some federal funding for Meals on Wheels, transit, and emergency response expense.

City Manager Cotter said they would discuss the purchase of the EPCOR water assets, which was a major addition to this budget. He said the purchase might not happen during this upcoming fiscal year, but said they were prepared to move forward. He said the budget included 30 positions to run the water distribution, but said all 30 positions might not be required. He said EPCOR did not share

information on employees and personnel costs, so they are doing their best to estimate the costs for the water company.

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 amount of \$51,352,447 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 eleven 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 (HURF, grants) 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.

Finance Director Vera 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 had been 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 the city did not collect a city property tax.

Finance Director Vera said the general fund operating revenues were broken down into state taxes of \$13.5 million; local taxes of \$15.9 million, and fees of \$4.3 million. He said retail was the primary industry in tax collections. He said last year the city collected \$8.2 million in retail sales tax, and \$1.5 million in restaurant tax, and \$1.1 million in construction tax last year. He said the major classifications of expenditures were personnel costs, benefits (Arizona Public Safety Retirement increase), services and related charges, supplies, property, debt services, and fund transfers. He said the approved, not authorized budget items were: City Administration (\$34,010); Development Services (\$260,513); Finance (\$11,824); Human Services (\$849,501); Parks and Recreation (\$150,000); Police (\$481,962); Public Works (\$281,347); and Technology Services (\$160,000). He said the total budget for all city funds was \$93.4 million, or an increase of 15.1%.

City Manager Cotter said the budget included many community priorities identified by the Council, such as: public safety; Community Park Section 12 development; funding for the second Bullhead-Laughlin Bridge; acquisition of the water system; and local street improvements. He said the goal has been to repair and repave 20 percent of the city's street each year and said \$1.6 million has been budgeted for next year's street improvement projects. He said the Police Department roof repair project (\$120,000), replacement of five patrol vehicles (\$383,801) and a grant-funded police boat (\$105,000) were included in this year's Police Department budget. He said health insurance to all full-time employees, a 1.6 percent cost of living adjustment, annual pay plan step increases, longevity, and accrued leave payout for eligible employees were included. He said the Public Safety Retirement obligation this year was \$3,129,183. He said a solution was needed to resolve this public safety liability across the county and state. He said the annual employer health insurance cost increase by two percent. He said \$600,000 was included for park improvements, \$383,801 for

replacement vehicles and a second micro surface/slurry machine for \$435,000. He said most city vehicles were fully depreciated. He said \$8,005,724 included the city portion not to exceed \$4,500,000 and the Parkway extension to the second bridge at \$3,505,724. He said the Housing Inspector position was eliminated, the SCADA system supervisor under contract was re-authorized, and the 30 positions for the water system were authorized. He said they would keep working very hard on the census.

City Manager Cotter 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 2nd Council meeting, the budget schedules would be published on June 7th and June 14th, and said the final budget would be adopted at the June 16th Council meeting with an official public hearing.

### Police

City Manager Cotter said the budget did not include a police body camera program. He said the total costs for the program were estimated at \$595,000 which was a large start-up cost. He said the program could be deferred until the next fiscal year. He said the Council could decide to use part of the city reserved fund balance to commence this program if desired. He said there were high upfront technology costs in order to begin this program in the correct manner.

Mayor Brady said he wanted to begin implementing the program, and said they could find the costs savings. The City Council Members indicated they would support the program.

Police Chief Williamson said the program would benefit the Police Department and the community in general. He said they had been testing cameras since 2010, and said there were a lot of upfront costs. He said the new upgrades would be more efficient, and said they planned to purchase 60 body cameras for patrol officers, school resource officers, and detectives. He said they did not plan to share equipment as they found there was better accountability with individual cameras. He said training was critical for the system to work properly and manage the data, including redacting for records requests. He said one additional position in the records department would be sufficient in order to manage the program.

Council Member D'Amico asked about the body camera video record retention requirements.

Police Chief Williamson said the retention requirement depended on the individual call, and said the new technology allowed programming that would assist in records management and retention.

Mayor Brady asked if the cost to implement the program would be \$595,000 and if there were grants available.

Police Chief Williamson confirmed, and said they would apply for a \$120,000 grant to help defray the upfront costs.

## Public Safety

Police Chief Williamson said officers responded to about 45,000 events last year, and there were 71,919 calls for 911 services (Fire and Police calls). He discussed how the Police Department had been successful in their objectives and program operations with the same number of people and resources. He said he had no control over the Public Safety Retirement budget increase. He said they had cut and consolidated some positions in order to save money over the past few years.

City Manager Cotter said the category of Other Professional Services included \$132,000 for contract lifeguards and police department overtime for the river safety patrol. He said they were auditing every consumer protection form at \$10 each. He said they were charging a \$20 entry into the parks each weekend in order to recoup some of the expense, and said Bullhead City residents would not be charged an entrance fee.

Police Chief Williamson said the category of Maintenance Agreements included an IGA with Public Safety Answering Point in the amount of \$81,000 which was grant funded. He said their travel and training budget expenditures were required for ongoing specialized education and new law updates. He said some of the training might not take place next year due to COVID-19. He said the radio tower at Christmas Tree Pass needed to be replaced at a cost of \$70,573. He said it was beyond repair, and said they would find a way to pay for the repair in this year's budget rather than wait until July.

Mayor Brady asked about the \$16,120 safety equipment reimbursement line item. Police Chief Williamson said during the FOPOA negotiations, it was included to provide an opportunity for officers to purchase a pair of safety glasses to do their job.

Council Member D'Amico thanked the Police Department for continuing to do a great job.

## Police Grants

Police Chief Williamson said this category included a grant of \$105,000 for a police boat.

## Animal Care and Welfare

Police Chief Williamson said their partnership with Savings Animals In Need Together (S.A.I.N.T.) was very successful. He said a few minor changes were included in this budget.

Eva Corbett thanked the city for working with injured animals under the S.A.I.N.T. program.

## Public Works

### Street Maintenance

City Manager Cotter said they would purchase a second slurry machine (\$435,000). He said if the original machine broke down, it would set the maintenance schedule back a few weeks without a backup. He said a second truck would insure continued productivity and increase the goal of maintaining at least 20 percent of the city's streets each year. He said this would save taxpayers' money and do a better job on the streets.

Interim Public Works Director Johnson said their goal this year would be to maintain 30 percent of streets. She provided colored maps of the street maintenance program areas planned for each year. She said road striping work would continue to be performed. She said \$15,000 for weed control chemicals in the rights-of-ways was added. She said they were asking for a new graffiti paint sprayer (\$1,700) and a Mini-X thumb attachment (\$2,600) to grab debris from flooding.

City Manager Cotter explained the city's graffiti removal program.

#### Engineering

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

#### Facilities Management

Interim Public Works Director Johnson said the Police Department roof deck repair was included in the amount of \$120,000.

#### Fleet Services

Mayor Brady said the city was saving money in purchasing one or two-year old vehicles locally rather than brand new vehicles.

#### Water

City Manager Cotter said the Utilities Director position did not have a time frame to be filled. He said the budget was designed to include the new water system's cost including personnel, electricity to run the system, capital improvements, and debt service. He said they did their best to estimate these costs at this time.

#### Wastewater

City Manager Cotter said the Wastewater budget was similar to last year.

#### Capital Improvement Plan

City Manager Cotter discussed the capital improvement projects for 2021. He said some of the projects were deferred until funds were available to complete them; for example, improvements at Gary Keith Park and Community Park.

Mayor Brady asked about the possibility of drainage improvement in the Riverbend area.

Interim Public Works Director Johnson said the area was flat, and said the best case scenario to take care of the flooding problem would be to install a storm drain which would cost millions of dollars. She said ponds would need to be built and properties would have to be purchased which was no easy fix.

City Manager Cotter said the project was on the Capital Improvement Project list but not funded. He said the only remedy at this time was to pump the water as best they could.

### Legal Services

City Attorney Emery thanked the City Council and city staff members for working together with the Legal Department throughout the year. He said there were no requests for any increases this year. He said the legal costs for the water company acquisition were included in the project fund. He said there were three outside counsels working on two ongoing lawsuits: the condemnation of the water assets and the federal lawsuit by EPCOR.

### Municipal Court

City Magistrate Psareas said the court budget had not changed much since last year. He said they implemented a new case management system in March. He said they received a three-year grant of \$500,000 for the Veterans' Court. He said most of the training had been cancelled. He said the prison inmate costs had decreased, and said the average jail cost was about \$20,000 per month.

Mayor Brady said over the last six years, the jail cost had been reduced from \$600,000 to around \$200,000. He thanked the court staff for their hard work.

### Development Services/Code Enforcement

City Manager Cotter said the department's level of activity was high. He said the Assistant Building Official position had been put on hold for now, and said other vacant positions within the department had been moved to the deferred part of the budget. He said these positions would be filled first when funds became available. He said dangerous building abatement demolitions had been cut from \$200,000 to \$100,000; and said \$100,000 had been deferred.

Mayor Brady said 42 homes were demolished last year, and said this year about half that number could be abated. Mayor Brady asked about nuisance abatements. City Manager Cotter said the abatements go through a legal process after code enforcement sends notices to the property owner. Mayor Brady said the city had a strong code enforcement program, and said last year the city sent 3,704 notices, abated 260 properties, and demolished 42 homes.

### Financial Administration and Technology Services

Finance Director Vera said no new staff positions were requested. He said there was an increase of \$22,000 in uncollectible accounts and said the city had a program that helped to collect liens. He said there was a small increase in special assessments. He said the technology budget had a minor increase.

Mayor Brady asked about the security of city software programs.

Technology Services Manager Scheffert said the city's data was protected, and said the department continually monitored and updated the internet security.

City Manager Cotter said they appreciated the Council's support to help keep the city's technology systems strong and protected.

### Human Services

Human Services Director Tipton provided an overview of the divisions within the department; including transit, housing, pest abatement, senior nutrition, community center, and parks and recreation. He said many of the divisions were grant funded

### Recreation Services

Human Services Director Tipton said the recreation division budgets for personnel and services were reduced due to the cancellation of sporting tournaments, events and activities due to COVID-19.

Mayor Brady asked about the new pool slide. Parks and Recreation Superintendent Heath said some pieces required for the slide could not be procured at the present time because the company that manufactured the parts was closed due to COVID-19.

City Manager Cotter said the city had a special event account that floated event money in and out. He said the account was still positive, but revenue needed to be brought in to avoid a deficit.

Human Services Director Tipton said the Farmers' Market was a strong event and growing. He said the specialty supplies budget and Field House rental increased slightly.

### Parks Maintenance

Human Services Director Tipton said the refuse budget increased due to additional dumpsters at city parks. City Manager Cotter said they would propose that Allied Waste provide city park dumpster fees at no charge. Human Services Tipton said two irrigation pumps (\$24,000) and a filtration vessel for Rotary Park (\$24,000) were included. Parks and Recreation Superintendent Health discussed the irrigation system requirements to water the parks. Human Services Director Tipton said the hot water heater for the pool (\$9,000) was purchased this fiscal year.

**Mayor Brady adjourned the meeting for a break at 3:55 p.m. The meeting reconvened at 4:20 p.m.**

### Transit/Senior Transportation

Human Services Director Tipton said the senior transportation budget was up overall 10 percent, and said \$10,000 represented a replacement van grant match. He said they found out those funds could be saved as another grant paid for the \$10,000 match. He said they budgeted for catastrophic repairs (\$30,000), but said the fuel savings would offset that amount. He said they were getting a new bus and paratransit van which would both be 100 percent reimbursed as part of the CARES Act.

### Senior Nutrition Center

Human Services Director Tipton said the Site Supervisor was retiring next week. He said there were no significant changes in this budget.

### Human Services

Human Services Director Tipton said \$40,000 was included for the Homeless Resource Center.

### Pest Abatement

Community Services Director Tipton said this budget was down 15 percent overall.

### City Manager/Public Information

City Manager Cotter said most conferences and training opportunities were cancelled; therefore the savings throughout each department would be able to fund other items. He asked the Council how they would like to handle this.

Council Member D'Amico said he would like to leave the travel and training budgets as they were.

### Census

City Manager Cotter said \$25,000 was budgeted for the census next year.

### Personnel Administration

Human Resources Manager Richardson said there were some minor increases this year; such as the employee health insurance costs, liability risk premiums, and workers' compensation premiums. She said the medical, dental, and vision plan costs increased by two percent and said those costs would be absorbed by the city and not passed on to the individual employees. She said the risk premium increased due to the anticipated addition of the water system.

City Manager Cotter said the Lake Havasu School District would join the Cities of Bullhead, Kingman, and Lake Havasu in the health trust.

### Economic Development

City Manager Cotter said \$2,000 was included to fund the Colorado River Historical Society tourism contract, and \$65,000 was included to fund the tourism side of the Chamber of Commerce. He said the \$65,000 airline service pledge was being held in an account at the airport.

### Laughlin Retreat

City Manager Cotter said this budget included all of the costs to maintain the property. He said the goal was to sell the house and bunker by the end of December 2020.

### 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 deferred budget line items were highlighted in yellow under this section.



### 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 membership dues were reduced to \$4,500. He said \$253,600 was included under the Mohave County Water Authority Recovery Fund.

Council Member Clark said the water recovery fund was the fund the city would use to purchase water from Phoenix or Central Arizona during the time of a shortage declaration. He said it would be very expensive to purchase the water and some savings were needed to be put away as a backup insurance policy should a shortage be declared.

City Manager Cotter said some funds could be moved from the water conservation program to the recovery fund as a budget adjustment.

Council Member Clark said he would like to know the average amount of the conservation program in previous years.

Mayor Brady said he would like to see hot water circulating pumps be eligible for conservation reimbursement.

### Mayor and City Council

City Manager Cotter said there was a slight variation in the health insurance line item, and said there were no significant changes to this budget.

### City Clerk/Elections

City Clerk Stein said a stand-alone election was held in November 2019 at a cost of \$81,016. She said \$68,300 was budgeted for the 2020 consolidated primary and general elections.

City Clerk Stein said there was a small increase in travel and training costs as she was no longer able to save money by staying with family members when attending conferences in the Phoenix area.

### Revenues

City Manager Cotter said they would watch the local sales tax revenue coming in this year and said it could still reach the estimated amount of \$15.2 million. He said state income tax revenue was expected to be \$5.8 million; and said the state sales tax estimate of \$4.5 million was subject to change. He said the auto lieu tax was estimated at \$2.9 million. He said they anticipated revenue from business license and permit fees to be \$1 million. He said businesses could get a deferral from paying city fees through the business FORWARD program.

City Manager Cotter said the special police services line item (-\$250,000) moved to the PWC safety program (\$350,000) under Charges for Services.

City Manager Cotter said the HURF gas tax was distributed based on population. He said transit revenue came from riders, advertising, and donations, and was primarily funded by the federal government. He said the Pest Abatement District contributed \$135,000 toward the pest abatement program.

Mayor Brady asked if anyone from the public wanted to speak.

Nick Parsons said he would like the Police Department to research a non-lethal weaponry program to arm officers and prevent injury to criminals.

Mayor Brady said \$10,000 was allocated for non-lethal weaponry.

City Manager Cotter asked the Council for their input on their priorities for funding the deferred items.

Council Member D'Amico said funding the police vehicles was his priority.

Mayor Brady said the entire 356 pages of this budget were available to the public on the city's website. He said the budget was totally transparent. He thanked the City Manager and department directors for presenting them with options to move forward conservatively.

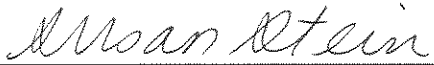
#### **ADJOURNMENT**

Mayor Brady declared the special meeting adjourned at 5:27 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 12th day of May 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 2nd day of June 2020.

  
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Susan Stein, MMC, CPM  
City Clerk