

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 24, 2021, 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, Brummett, D'Amico, Wegmann, Zehri

Council Absent

Vacant Seat

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

FINANCE DIRECTOR: Rudy Vera

PUBLIC WORKS DIRECTOR: Angie Johnson

HUMAN SERVICES DIRECTOR: Jeff Tipton

DEVELOPMENT SERVICES DIRECTOR: S. Chooniyom

DISCUSSION ITEM(S)

Discussion relating to the proposed City of Bullhead City Budget for the Fiscal Year beginning July 1, 2021, including proposed revenues, expenditures, and programs for all governmental funds.

City Manager Cotter said when reviewing the budget, they had to be cognizant of the state imposed expenditure limit. He said the Council's priority was public safety. He said the budget included capital expenditures to replace five police vehicles (\$343,162), replace two police boats (\$222,884), replace two police motorcycles (\$128,119), and replace two transit buses (\$275,000). He said the police boats and transit buses were primarily grant funded. He said on the equipment side, the budget included replacing the police records management system (\$765,323), replacing technology infrastructure (\$75,000), and replacing the transit automatic location system (\$292,000) with grant funding. He said there was also significant community investment in parks and recreation. He said a total of \$5,356,000 in capital expenditures was included for Community Park to improve the athletic facilities, complete the commercial boat launch, construct a new splash pad, and for the future land purchase and related expenses; and funds to improve the Rotary Park skatepark, trail lighting, and restroom additions; the municipal pool slide; and grant funded bike trails. He said they would look for grant funding when available.

City Manager Cotter said the transportation/drainage capital improvements included the Bullhead Parkway Construction (grant funded) \$25,000,000; Landon Drive Roadway Extension \$1,655,200; Arcadia Boulevard Roadway Extension \$750,000; Bullhead Parkway and Silver Creek Lighting (grant funded) \$360,600; Right of Ways and Median Beautification in the Riviera neighborhood \$350,000; Community Park Culvert Extension \$750,000; and various drainage improvements \$960,000. He said the drainage improvements included projects located at Bullhead Parkway, Rotary Park, Buena Vista Area, Miracle Mile, Ramar Road, Secret Pass and Silver Creek Washes.

City Manager Cotter said a new senior center complex (CDBG grant funded) \$1,092,198; animal care and welfare building remodel \$700,000; transit facility design (grant funded) \$350,000; HVAC replacement/upgrade \$77,532; and the municipal court remodel design \$44,000 were included under general government capital expenditures.

City Manager Cotter said the city's goal of repaving or repairing 20 percent of the streets each year was surpassed this year at almost 35 percent. He said \$2.1 million was budgeted for street maintenance next year.

City Manager Cotter said one additional full-time position was requested. He said four full-time positions were re-figured this year for a police officer, police office assistant II, civil police investigator, parks maintenance worker 1, and a new grant coordinator position. He said there were so many new state and federal grant programs available over the past 24 to 36 months, and the city did not have the staff capacity to continually apply for grants. He said positions in the water operations fund would be shared with the wastewater operations fund, resulting in four less positions.

City Manager Cotter said the budget included \$140,000 for veterinarian services that might be a contracted position or an additional full-time position. He said this position required further analysis.

City Manager Cotter said there was a slight increase in the health insurance plan and said the increase would not be passed on to the employees. He said the employer cost for health insurance for all full-time employees was \$4,308,464. He said the total employer cost according to the state for the public safety retirement program was \$3,300,305. He said a 1.3 percent cost of living adjustment (\$231,207); annual pay plan step increases (\$383,050); longevity for employees with ten or more years of service (\$199,994); and accrued leave payout for eligible employees (\$191,109) was included.

City Manager Cotter said fuel prices have increased from last year. He said they budgeted \$3.40/gallon for unleaded gasoline (up from \$2.40) and diesel fuel at \$3.70/gallon (up from \$2.85).

Finance Director Vera said a balanced budget was required by state law with sufficient financial resources for budgeted expenditures. He said this was the city's 12th year of line item budgeting. He said each fund was set up for specific purposes: General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Services. He said revenue was the income a local government needed to pay for all the services it provided. He said revenue included a local tax rate of 2 percent that had not changed in 32 years; state shared taxes, grants, fees, special improvement districts, flood control funds, and donations. He said population figures were used to distribute state shared revenue and said the 2019 estimated population of Bullhead City was 40,884. He said state shared revenue included state income tax, state transaction privilege tax, vehicle license tax, and highway user revenue funds. He said the city's state income tax share was 8.7 percent lower than last fiscal year (\$5,334,380); state transaction privilege tax share was up 29.5 percent (\$4,800,409); vehicle license tax was 1.6 percent higher (\$2,958,160); and highway user revenue funds were 3.8 percent lower (\$4,074,895). He said the city did not collect a property tax.

Finance Director Vera said 50 percent of the city's revenue came from local taxes, 35 percent from state taxes, and 15 percent from other sources. He said operating revenues increased by 9.8 percent or \$3,315,349, and said the reserve fund balance was \$1,200,000.

City Manager Cotter said shoppers were coming to Bullhead City from all over during the COVID pandemic of 2020. He said the 2020 and 2021 retail sales tax revenue increased from previous years.

Finance Director Vera said the general fund expenditures were as follows: personnel costs \$22,695,203; maintenance and operational costs \$8,631,321; property \$1,856,338; short term debt service \$1,132,936; contingency \$1,900,000; and other financing \$9,493,243. He said the total appropriations for fiscal 2022 were \$126.4 million with the biggest increase in capital projects with a reduction in debt service. He said the number of authorized full-time employees were 317.5. He said the general fund balance was \$17.8 million.

City Manager Cotter said the Economic Estimates Commission calculated the expenditure limitation for Bullhead City to be \$52,417,461 for fiscal year 2022. He said there were variables such as borrowing, federal funding, and grants.

Finance Director Vera said the city's comprehensive annual financial report and proposed budget could be viewed on the city's website. He said the tentative budget would be adopted at the June 1st Council meeting, budget schedules would be published on June 6th and June 13th, and the final budget would be adopted at the June 15th Council meeting.

Utilities – Water Operations

Utilities Director Clark said there would be 29.5 employees, including the executive staff, with a total expenditure of \$7,751,047. He said there were things that EPCOR had not been doing in the past. He said the city would institute a valve exercising program in order to lock down a smaller area that had a water main break; a hydrant maintenance program; a chlorine upgrade program; and create a water master plan with GIS mapping.

City Manager Cotter said legal expenses related to the condemnation court case were included. He said this was not a typical budget as they did not have all of the information on the system to include line item numbers.

Wastewater

Utilities Director Clark said his time would be divided between water and wastewater operations. He said the Refuse item included the dumping of biosolids at the landfill (\$254,000). He said they were looking into options to cut down on those costs. He said they would get new uniforms for staff, and added funds for equipment and supplies that would improve the current system, including odor control/chemicals (\$80,000) and manhole rehabilitation. He said the ADEQ permit for recharge (reuse water) would be coming soon in order to start the onsite discharge work at the plant.

Vice Mayor D'Amico asked if the odor control issue at Lakeside Drive could be their first priority.

Public Works

Public Works Director Johnson said the administrative division included three personnel. She said the full time wages item increased due to the addition of staff plus additional required training. She said the facilities division included a foreman and three maintenance workers. She said they were

able to purchase about \$20,000 of equipment this year and those items would be removed from the upcoming fiscal year budget.

Public Works - Streets

Public Works Director Johnson said staff had performed 1,552,522 square yards of slurry work over the past year. She said they had increased the amount of road maintenance work, road striping, and treated 1,481,954 square feet of city rights-of-way last year. She said staff did an amazing job. She said there were 21 employees, which was the same as last year. She said the cost of materials across the board would increase next year.

Council Member Brummett congratulated the street crew for their impressive performance.

Public Works – Fleet

Public Works Director Johnson said the number of five staff members did not change. She said the budget was similar to last year except for the increase in the price of gas.

Legislative – Mayor and City Council

City Manager Cotter said this budget had not changed substantially from last year. He said funds were included for travel for the Council Members to attend conferences, functions, and other meetings; and for some specialty supplies. Mayor Brady said this section also included some funds for council logo shirts. He asked to cancel the Edmonton online journal subscription.

Legislative – City Clerk

City Clerk Stein said no funds were included in the Elections budget for the upcoming fiscal year. She said otherwise there were no substantial changes to this year's budget.

Mayor Brady asked about the difference in the 2019 election costs versus 2020. City Clerk Stein said the \$81,016 included the special stand-alone all mail election for Proposition 415 and the following year included a consolidated primary election in the amount of \$31,123.

Executive – City Manager

City Manager Cotter said this budget was similar to last year. He said there were 3.5 positions. He said funds were included for travel, training, custom printing, and additional marketing for public programs. He said the public information budget included funds for a new concept of Bullhead City Bike Week in conjunction with Harley Davidson, and said this event would add to the economy. He said they believed there was a huge demand for motorcycle related events in the community. He said they were not budgeting for the Laughlin Retreat this year as the property was currently being offered for sale at \$1,440,000.

Mayor Brady called for a dinner break at 4:45 p.m. He reconvened the meeting at 5:20 p.m.

Executive – Personnel Administration

Finance Director Vera said the overall human resources budget had increased by 3 percent. He said the budget was similar to last year except for an increase in required medical testing of 29.4 percent, books, and subscriptions. He said the health insurance increased slightly from last year.

Executive - Economic Development

City Manager Cotter said there was a significant increase in this category. He said \$130,000 for economic development initiatives was included as a placeholder; the International Shopping Center Conventions attendance expenses were included, as well as participation in the Mohave County Fair. He said the federal government was providing \$500,000 in rescue dollars for to-be-determined programs for tourism relief and small business relief. He said the criteria would be determined at a future Council workshop.

Council Member Zehri asked if there would be additional grants. City Manager Cotter said the city was receiving more than \$4 million each year for the next two years, and staff would apply for any additional available grants.

Executive - General Services

City Manager Cotter said these expenses were not directly related to any one particular department; such as the public defender, postage, copiers, telephone, shredding, and membership in the Arizona League of Cities and Towns. He said the annual employee service awards increased from \$9,500 to \$15,000.

Finance Director Vera said all the operating transfers from the general fund to different programs were itemized.

Development Services

Development Services Director Chooniyom said the number of inspections, permits, and homes had increased over the past year. He said the entire budget remained essentially the same with no major changes. He said 25 percent savings was realized in the scaling back of building and nuisance abatements because more owners were bringing their properties into compliance themselves.

Municipal Court

City Magistrate Psareas said the city and the court had a great relationship. He said a new position, Special Projects Clerk, was added, and the Senior Judicial Assistant position was deleted. He said grant funds were added for a potential project to renovate the court location and update security measures. He said training activity decreased and the jail costs were also down due to the COVID pandemic in 2020. He said more electronic monitoring could be used to keep the jail costs down in the future. He said the judicial enhancement fund was used to pay for the court's security guard.

Legal

City Attorney Emery said he was thankful for great working relationships with the City Council, department directors; and the performance of city staff. He said his department had spent quite a bit of time on the EPCOR matters over the past year, and said he appreciated the successful liaison with outside counsel. He said the most challenging work had yet to be done, in addition to keeping the general legal activity moving forward. He said there were no substantive increases in this year's budget. He said grant funds were included for victims' services and the prosecutors' office.

Financial Administration

Finance Director Vera said a new position of Grant Coordinator was added, and said the Payroll Specialist position was moved to Human Resources. He said \$105,658 was included for the Arizona Department of Revenue tax administration fee. He said there was a slight increase in banking services fees.

Technology Services

Technology Services Manager Scheffert said technical services increased by 32 percent to fund public safety and security upgrades. He said cyberattacks were up by 67 percent this year. He said they requested \$150,000 in contract labor to help with current projects, programming and system maintenance. He said the software/hardware agreements line item was up by 34.7 percent, that included online email services (\$33,600) and the police body cam program (\$80,000). He said they tried to replace 25 to 30 percent of their switches each year. He said the computer equipment line item (\$139,100) included funding for switches, cables, drives, cables, and replacement computers.

Vice Mayor D'Amico said he would like to look at hiring additional technology staff in the future.

ADJOURNMENT

Mayor Brady declared the special meeting adjourned at 6:44 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 24th day of May 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of July 2021.


Susan Stein, MMC, CPM
City Clerk