

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 8, 2023, in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

CALL TO ORDER

Mayor D'Amico called the special meeting to order at 9:00 a.m.

ROLL CALL

Council Present

Alfonzo, D'Amico, Head, Hecht, Lizarraga, Ring

Council Absent

None – Vacant Seat

Department Directors Present

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

CITY MAGISTRATE: Richard Speers

POLICE CHIEF: Robert Trebes

FINANCE DIRECTOR: Rudy Vera

UTILITIES DIRECTOR: Mark R. Clark

PUBLIC WORKS DIRECTOR: Angie Johnson

DEVELOPMENT SERVICES DIRECTOR: S. Chooniyom

HUMAN SERVICES DIRECTOR: Jeff Tipton

DISCUSSION ITEMS

1. Discussion relating to the proposed City of Bullhead City Budget for the Fiscal Year beginning July 1, 2023, including proposed revenues, expenditures, and programs for all governmental funds.

City Manager Cotter said the Council would review the city's accomplishments, priorities, expenditure limit, budget overview, and the general fund. He said the budget was robust this year, and said the city had more than \$26 million in the bank. He said when he first began employment with the city; there was only \$3 million in the bank. He said the city had more than 300 awesome full-time employees and 100 part-time employees. He said Finance Director Vera was retiring soon, and this would be his last budget presentation.

City Manager Cotter said some accomplishments over the past year were the Community Park Splash Pad, Rotary Park pickleball and tennis courts, 1.5 million square yards of streets slurry sealed, 3,200 square feet of graffiti removal, Howitzer installation in Veterans' Memorial Park, new Animal Shelter building, city-wide paving project to reconstruct four new streets, 39,000 meals provided to senior citizens, 82 acres of public parks treated for mosquitoes, and the transit system provided more than 121,000 passenger trips.

City Manager Cotter highlighted the city's priorities for the following year. He said the Public Safety Division's proposed operational budget was \$20.3 million, with a request for three additional full-time police officers, and three additional part-time emergency dispatchers. He said the proposed capital purchases for the police department totaling \$2.2 million included eight

replacement vehicles (\$619,000) and 90 replacement portable radios (\$1,187,840). He said the operational budget for streets and drainage was \$6.3 million, including a street pavement preservation program in the amount of \$1.8 million. He said \$35.8 million of capital purchases was proposed to include: Bullhead Parkway (grant funded) \$25 million, Hancock Road repaving \$2.5 million, Landon Drive Roadway Extension \$2 million, and Merrill Avenue realignment \$3 million. He said the Parks and Recreation Department's operational budget was proposed at \$4.7 million. He said \$9.4 million of capital purchases were proposed to include: UTV/ATV trailhead (grant funded) \$1.4 million, Rotary Park Fishing Pier (grant funded) \$750,000; Rotary Park Handball/Racquetball Courts \$250,000; and Rotary Skate Park improvements \$300,000.

Finance Director Vera said the state used a formula to calculate the expenditure limitations for cities and towns. He said Bullhead City's expenditure limitation for fiscal 2024 was \$60,130,111. He said the proposed budget for this year was \$186,030,007. He said it had been increasingly difficult to stay under the cap. He said allowable subtractions were depreciation, bad debt expense, and expenditures of separate legal entities under the Arizona Revised Statutes. He said exclusions from the cap included debt proceeds, debt service requirements, federal grants, amounts from the State of Arizona, quasi-external inter-fund transactions, highway user revenues, and contracts with other political subdivisions. He said a lot of the city's capital improvements had to be financed in order to stay under the cap; and if exceeded, the State of Arizona would reduce the city's state shared revenues. He said the fiscal year 2022 amount under the expenditure limitation was \$107,001. He said voter approval was required to increase the city's expenditure limitation under the home rule option or permanent base adjustment option.

City Manager Cotter said the city had sufficient financial resources for the proposed budgeted expenditures. He said the revenue estimates were spot on, and said they had been very conservative in growing the general fund reserve to more than \$26 million. He said Bullhead City used the zero based budget approach that included all line items for the public to see. He said this was their fourteenth year of line item budgeting. He said \$10 million had been programmed for grants in the Grants Fund, which were excluded from the cap.

City Manager Cotter said the cost of living adjustment for this year was 8.7 percent. He said years ago during the recession, the city was not able to give employees adjustments, had to implement furloughs and layoffs for many employees. He said full-time positions proposed were three police officers and two public works maintenance workers. He said the employee benefit trust was budgeted at \$5,221,094, and public safety state retirement at \$4,160,489. He said the city's revenue sources were local taxes, state shared revenues, grants, fees and donations. He said the city operated without a property tax.

Finance Director Vera said retail, construction, and restaurant and bar tax comprised most of the city's revenue. He said the 2023 retail sales tax collections was a \$9.3 million for this fiscal year. He said they were proposing a four percent increase in revenues for the year 2024.

City Manager Cotter said construction was up 30 percent over last year because of progressive policy makers and thinkers who realized that sometimes things had to be flexible. He said there was a huge need for housing in this community and numerous units had been planned for future growth. He said they had to keep working, and keep working harder than their neighbors and in California to maintain the community's growth and development.

City Manager Cotter said the tentative budget would be adopted at the June 6th Council meeting and the final budget would be adopted at the June 20th Council meeting.

Judicial

City Magistrate Richard Speer said the court was open and available for public safety purposes. He said they constantly looked at the use of taxpayer funds and used them wisely. He said the court was undergoing a remodel to make it better for conducting public business and for employee safety. He said the jail/prison inmate costs (\$312,000) included agreements with Mohave and LaPaz Counties, and the Fort Mojave Tribe. He said the city would save a lot of money in transporting people to LaPaz County, as the Mohave County jail fees were expensive. He said \$114,274 was included for a pro-tem judge, weekend/holiday pro-tem, and security coverage for the lobby. He said the funds would come out of the special revenue court enhancement fund. He said there were three vacancies that would be filled in the future, after the court renovation was completed. He said the veterans' court would continue to run efficiently with the deletion of the veterans' court clerk position, as it was not needed.

Law

City Attorney Emery said Chief City Prosecutors Rogers retired after 33 years of service to the community, and said Assistant City Prosecutor Tom Donaldson would fill that position. He said they are seeking a new Assistant City Prosecutor. He said his department was contracting with outside legal services (\$50,000) for special projects. He said he requested funding for a part-time person (\$19,497) to spend more time with public records requests which would allow the paralegals additional time for other projects. He said the Victim Services program was primarily grant funded with some funds coming from the general fund.

Public Safety

Police Chief Trebes said three new police officer positions were requested. He said five additional police vehicles with upfits (\$518,000) and three new vehicles for the narcotics unit (\$101,000) were requested. He said their request included 90 portable radios that were in need of replacement as they were at the end of life, between ten and fifteen years old (\$1,187,840), tasers (\$109,137), surveillance system for the prisoner van (\$8,043), generator for property and evidence annex (\$32,774), and the dispatch center upgrade remodel (\$217,705).

Mayor D'Amico said the Council supported the Police Department and wanted to make sure they had everything they needed.

Police Chief Trebes said the river safety patrol (\$326,906) and beach safety (\$129,631) line items would include four water rescue and safety personnel on the river and seven or eight supervisors on the beach for safety.

City Manager Cotter said this budget supported a well-trained department.

Mayor D'Amico called for a short break at 10:26 a.m. and reconvened the meeting at 10:41a.m.

Development Services

Development Services Director Chooniyom said the department maintained the same number of 17 staff members over a number of years.

City Manager Cotter said there were not a lot of changes over the past few years, and said staff was working very hard to keep up with a great number of inspections, permits, building and construction issues, zoning, and code enforcement. He said \$60,000 was included for nuisance abatements, and dangerous abatements/demolitions in the amount of \$150,000.

Mayor and Council

City Manager Cotter said funding was included for the Council to attend the Annual League of Arizona Cities and Towns Conference, training, and trips for the Mayor to travel to Washington, D. C. if required.

Council Member Hecht asked if funding could be included for a new voting system.

City Clerk Stein said she had researched options for replacement of the current system for many years and currently found a viable option that was more affordable than most other systems.

The consensus of the Council Members was to use the current voting system as long as it could be repaired and not purchase a new system at this time.

City Clerk

City Clerk Stein said there were no significant changes in the budget this year. She said no funding was included for elections as the next election would take place in 2024.

Financial/Technology

Finance Director Vera said the additional position was moved from the Utilities Division and budgeted under the Finance Department.

Technology Services Manager Scheffert said Other Professional Services line item under the Maintenance and Operations budget included a public records conversion for the Police Department (\$154,800). He said security system operations and equipment replacement represented the majority of the funding.

Finance/Budget and Accounting

Finance Director Vera said independent auditing services increased to \$65,000, \$30,000 was included for state integrated tax system integration, and \$111,940 was included for the state cancer firefighter premium, which was mandated by the state.

Finance/Billing and Collections

Financial Analyst Robert Drexler said the budget represented the billing and collections of the Water and Wastewater Utilities Department. He said this year; they had more accurate numbers for the costs.

Executive

City Manager Cotter said the biggest addition was the Marketplace at Community Park which was its own enterprise fund. He said 2 full-time people and 60 to 70 part-timers would be working at the Marketplace and all of the revenue would be reinvested into the park. He said the objective was to make money through parking, the retail store, ramada rentals, and the Bullhead Belle operation. He said this was the first year of this budget and modifications might be required.

Operations Manager Camden Stanley said 65 percent of wages would be spent through the summer months and 35 percent through the winter months as they navigated through special events. She said the River Shop was projected to increase sales by 120 percent, and said they wanted to make it an experience for guests and promote Bullhead City. She said she was looking at options to automate the parking process using a digital platform. She said they anticipated parking to increase by 33 percent this year. She said guests could reserve ramadas using a digital platform.

City Manager Cotter said \$100,000 would be deleted from the Marketplace budget for EV charging stations.

Personnel

City Manager Cotter said the biggest expenditures were staff members' health care costs, benefits, and insurance. He said the funding including property and risk premiums, workers compensation premium, damages and claims, and medical benefits for full-time employees.

Mayor D'Amico called for a lunch break at 12:00 noon and reconvened the meeting at 12:35 p.m.

Economic Development

City Manager Cotter said funds for the Arizona Film and Digital Media Communities Program were added in the amount of \$1,000 to join the state program.

Council Member Hecht asked if the funding for travel to the International Shopping Center Convention could be broken out into separate categories for city staff and the Council. She said this would make the budget more transparent.

City Manager Cotter said the line item included funds for general travel to the convention. He said the event was very large had been very productive for the city. He said there was not a right or wrong place to place the funding.

Mayor D'Amico said the policy did not change and there was no need to move the funding into separate categories.

General Services

City Manager Cotter said the public defender contracts (\$165,000) and the land exchange consultant (\$50,000) were included. He said postage, telephones, furniture, fixtures, and uniforms were some of the other line items under this category.

Human Services

Human Services Director Tipton said the senior campus activities funding increased in order to expand the program, and there was a \$50,000 grant placeholder for furnishings and program expansions. He said part-time wages for the senior campus in the amount of \$32,810 was included. He said funds were included for grants to fund the HOME program, and said this category was 100 percent grant funded. He said funds increased slightly for volunteer awards.

Council Member Head asked if funds to purchase a new vehicle for the Meals on Wheels program could be added. He said the vehicles could be gradually upgraded each year.

City Manager Cotter said they would add funds for a new Meals on Wheels vehicle.

Human Services Director Tipton said the only increase in the Pest Abatement budget was for contract labor at \$7,000. He said trout stocking was supplemented from the city's budget and the majority of the cost was paid for by the Pest Abatement District.

Transit Manager Michael Peluso said there were not a lot of modifications this year. He said the purchase of a replacement transit bus and replacement van (\$264,800) would be reimbursed at 90 percent. He said they were finalizing the RFQ process for engineering services to build a new transit facility. He said the project was grant funded.

City Manager Cotter said the transit funding formulary would change next year as the state had placed the city into a metropolitan planning organization.

Council Member Lizarraga asked if the current transit buses could accommodate the future growth in population.

Transit Manager Peluso said the ridership capacity had not reached that point, and said they could request additional vehicles of the same size if required in the future.

Council Member Alfonzo asked if additional bus shelters could be provided.

Transit Manager Peluso said a study was conducted on stop amenities and about 65 percent of stops had shelters. He said part of the reason some stops did not have shelters was due to the low amount of ridership at those locations. He said staff was looking at grant opportunities to address this.

Human Services Director Tipton said funds were included under the Animal Shelter budget to attend the Best Friends Animal Conference. He said the \$70,000 was included for sick and injured animals, spay and neuter, and \$140,000 was included for a veterinarian. He said \$24,000 was budgeted for the animal donation programs.

City Manager Cotter said the city was still looking for a veterinarian, and said there would be plenty of room to accommodate a vet in the new facility.

Utilities - Wastewater/Water

Utilities Director Clark said the Engineering Department was divided in half between Public Works and Utilities. He said one water distribution system position was eliminated and changed to a foreman position, and said they were down a total of four positions in this year's wastewater budget. He said the department operated more efficiently compared to other municipalities. He said Other Professional Services increased due to the SCADA on call services, and the startup of the Section 18 basin project. He said \$27,000 was added for the ADEQ permit in order to pump effluent water into the river. He said \$35,000 for emergency bypass pumping was added. He said additional funding was included for operator certification training. He said \$88,700 was included for utility street repairs. He said \$50,000 was included for air release valves in specific locations to eliminate air blockages in the lines.

Utilities Director Clark said this year's water utility budget had more detail and data than the first year of the city's operation. He provided statistics from the performance indicators. He said their water operators were just as efficient as the wastewater operators. He said \$10,790,000 was included for capital projects. He said some equipment purchases had to be re-budgeted for next year due to supply issues. He said Other Professional Services was reduced to \$53,000, and \$140,500 was budgeted for water line repairs and maintenance. He said \$270,000 was included for water meters. He said the city owned the meters and the customer paid for the deposit and service line, but a developer would have to pay for everything. He said the contingency was reduced from \$1 million to \$209,154; and said a lot of wells went down and were repaired or replaced last year as they reached the end of useful life. He said the water impost fund contingency was reduced significantly. He said the water impost fund paid for the city's water conservation program and fees.

Mayor D'Amico called for a short break at 2:08 p.m. and reconvened the meeting at 2:19 p.m.

Public Works

City Manager Cotter said \$11,400 could be cut from the land and building leases fund for the park's launch ramps and docks as the state land transfer bill was passed.

Public Works Director Johnson said one full-time maintenance worker I was requested to clean up rights of ways, homeless camps, and special projects; and one full-time and one part-time position in the Facilities Maintenance Division was requested. She said \$15,600 was included for fire extinguisher and sprinkler replacement and certifications, and said specialty supplies such as filters and chemicals have increased.

Parks and Recreation Superintendent Dave Heath said this was his 20th budget. He said the Recreation Division had 100 percent turnover since last year. He said this was an exciting time in recreation. He said the Optimum Community Center had been extremely successful and required additional staff time and maintenance. He said \$100,000 was included for the summer camp program and registration had been impressive. He said \$47,280 contract labor included funding for

sports tournaments referees in case the city staff had to run the leagues themselves. He said \$19,950 was included for a golf cart replacement.

Finance Director Vera explained the special events fund. He said excess revenue would stay in that fund and would be used as a carry over to the next fiscal year. He said most of the events were self-sufficient or made money.

Parks and Recreation Superintendent Heath said the Winter Festival was a great success due to the number of sponsors. He said the 7on7 football was a new partnership with the Fieldhouse. He said the national championship with 200 teams would be held at the end of May and a second tournament was planned with as many as 500 teams. He said \$75,000 was included for a UTV rally off road event. He said the Senior Games, Farmers Market, and Fishing Derby events were planned. He said grass seed, chemicals, and fertilizer prices were increasing. He said leasing the mowers was the best decision they made, and said they were getting exactly what they needed to maintain the fields and parks.

Public Works Director Johnson provided statistics on street operations. She said a RapidPlan Traffic Software program was added, and prices had gone up a lot to perform street patching. She said \$1,800,000 was included for street preservation and \$52,236 for a Council-approved loader lease. She said \$46,000 was included for general equipment repairs and cleaning. She said a correction should be made to employee uniforms, deleting the \$42,640 figure and adding \$820.

Operating Revenue

Financial Administrator Drexler reviewed the operating revenue summary. He said tax revenue \$21,987,573; bond and loan proceeds and other contributions \$14,636,410; intergovernmental revenue \$87,868,027; utility revenue and other service charges \$36,331,541; fines and forfeitures \$671,200, special assessments \$1,977,075; investment revenue \$917,361; and rents and royalties \$290,850 were revenue sources.

Mayor D'Amico called for a short break at 3:10 p.m. and reconvened the meeting at 3:23 p.m.

Capital Improvement Projects

City Manager Cotter reviewed the Parks projects: Colorado River Nature Center Pond and Boardwalk \$150,000; Community Garden \$50,000; Community Park Improvements \$1,000,000; Community Park Land Purchase and related expenses \$900,000; Community Park Master Plan \$300,000; Community Park Restroom Lift Station \$1,500,000; Gator Lease for Parks Maintenance \$104,121; Golf Cart Replacement \$19,950; Ken Fovargue Park Playground Shade Structure \$100,000; Ken Fovargue Park Pool Deck Rehabilitation \$175,000; Optimum Center Parking Lot \$1,500,000; Rotary Park ADA Playground \$150,000; Rotary Park Basketball Court Resurface \$150,000; Rotary Park Fishing Pier \$750,000; Rotary Park Fitness Court Shade Structure \$75,000; Rotary Park Handball/Racketball Courts \$250,000; Rotary Park Pump Track \$300,000; Rotary Park Skate Park Improvements \$300,000; UTV/ATV Trailhead \$1,394,528; and Tech Services Requests \$1,011,000.

City Manager Cotter reviewed the Public Safety projects: Dispatch Center Remodel \$217,705; Dispatch Multi Channel Voice Recording system \$17,995; Generator for Property and Evidence Annex \$32,774; 90 Portable Radios \$1,187,840; Inmate Transport DVR Packages \$11,304; Police Drone \$12,000; Forensics Computer purchase \$18,359; Surveillance System \$8,043; 5 Patrol Vehicles \$518,050; 3 Narcotics Vehicles \$101,000; Tasers \$109,137.

City Manager reviewed the Wastewater projects: Section 10 Aeration Basin \$3,500,000; Section 10 Headworks \$2,400,000.

City Manager Cotter reviewed the Public Works and Transportation projects: Buena Vista Drainage Improvements \$250,000; Bullhead Parkway Center Median and Street Lighting \$500,000; Bullhead Parkway Multimodal Improvements \$25,000,000; Dump Truck \$190,000; FEMA CTP \$50,000; Gannon Backhoe \$190,000; Hancock Road Repaving Project \$2,500,000; Lake Mohave Highlands Drainage Improvements \$329,000; Landon Drive Roadway Extension \$2,000,000; Marble Canyon Curb and Gutter \$200,000; Merrill Avenue Realignment \$3,000,000; Truck Message Board \$13,812; Miscellaneous Drainage Projects \$153,681; Ramar Drainage Improvements \$50,000; Rights of Way/Median Beautification \$350,000; Rotary Park Drainage \$40,000; Secret Pass Grade Control Structure \$800,000; Skid Steer Loader \$56,245; Traffic Signal Upgrades \$70,000; Truck Replacements (2) \$98,000.

City Manager Cotter reviewed the General Government projects: Animal Care and Welfare Building Remodel \$3,150,000; Expansion Transit Van \$84,500; Food For Families Food Bank \$872,775; HVAC System Replacements \$25,000; Justice Center/City Hall LED Conversion \$20,000; Optimum Center Building Rehabilitation \$2,500,000; Replacement Council Chamber Doors and Windows \$90,000; Transit Bus \$180,300; Senior Campus Expansion Project \$3,105,169; Transit Facility \$750,000.

Council Member Hecht said she would like to include some funding for the 40th anniversary celebration of the city's incorporation in August 2024.

The consensus of the Council was to include \$20,000 in the Special Events fund.

Mayor D'Amico asked if anyone from the public wanted to speak.

Scotty McClure said he would like the city to proceed with the Landon Drive and Merrill Avenue projects. He suggested budgeting funds to create a road from the second bridge through Country Club Drive to the park. He asked if the city could apply white slurry to the roads, and would like the roads to be painted more often.

ADJOURNMENT

Mayor D'Amico declared the special meeting adjourned at 3:47 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 8th day of May 2023. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of June 2023.



Susan Stein, MMC, CPM
City Clerk