



CITY OF SURPRISE
Special City Council Meeting - Budget
Retreat

16000 North Civic Center Plaza
Surprise, AZ 85374

Friday, March 27, 2020 @ 9:00AM

Call To Order

Invocation

Led by Council Member Sanders.

Roll Call

Mayor Hall called to order the Special City Council Meeting (Budget Retreat) of March 27, 2020 at 9:00 AM at Surprise City Hall Council Chambers, 16000 N Civic Center Plaza, Surprise, Arizona 85374. Also in attendance with Mayor Hall were Vice Mayor Judd, Council Members; Winters, Hayden, Duffy, Sanders and Remley.

Staff Present: City Manager, Michael Frazier; City Attorney, Robert Wingo and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

Call To The Public

Regular City Council Meeting Agenda

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

1. FY2021 Budget Discussion - NO ACTION

[City Manager, Mike Frazier introduced the Fiscal Year 2021 Budget Retreat presentation and turned over to Finance Director, Andrea Davis and Asst. Director, Holly Osborn.](#)

[Here are the highlight topics for today's presentation:](#)

[Current Economic State](#)
[Different Economic Outlook](#)
[Financial Plan](#)
[Communications Device](#)
[Operating Guide](#)
[Policy Document](#)

[Revenue Source Categories including local sales tax; intergovernmental, charges for services, primary property tax, franchise fees and transfers in](#)
[One time revenue examples](#)
[Expense Categories](#)
[General Fund Uses](#)
[Policy Changes and Updates](#)
[Policy Changes - Put on hold](#)
[Capital Projects](#)
[Capital Improvement Plan \(CIP\)](#)
[State Statute/ARS Requirements](#)
[FY21 Budget Calendar](#)
[FY21 Contingent Budget](#)
[Balancing the Budget](#)

[Council Member Remley asked that staff give an explanation for each of these categories and what our challenges will be over the next 6 months or so.](#)

[Vice Mayor Judd - Asked for clarification on PSPRS Funding.](#)

[Council Member Sanders - Hiring freeze, does that include positions that are currently vacant?](#)

[Mayor Hall asked for clarification, if we are looking at a 2 month drag?](#)

[Council Member Winters - Do we currently know the liability for PSPRS right now?](#)

[40 million](#)

[Mayor Hall commented on March being impacted due to reduced revenues. Discussion took place on how this is unprecedented and hard to tell at this time the impact this will have on our community.](#)

[Mayor Hall reconvened the Special City Council Meeting \(Budget Retreat\) at 10:46 a.m.](#)

[Departmental Requests were next topic:](#)

[Police](#)
[Fire - Medical](#)
[HSCV](#)
[Parks and Recreation](#)
[Sports & Tourism](#)
[Community Development Department](#)
[Economic Development](#)

[Chief Young was asked questions about the police department relating to requests and priorities.](#)

[Council Member Remley questioned the amount of \\$750,000. for the Police Substation #2, why is this amount so much?](#)

[City Manager Frazier gave an overview of the plan.](#)

[Mayor Hall questioned Fire Department training for new firefighters.](#)

Mayor Hall also asked for clarification on the land acquisition for the substation projects.

Council Member Remley questioned the operations of our libraries and questioned positions being requested by Parks and Recreation Department.

Parks and Recreation Director, Donna Miller joined the call to give an explanation for the additional staff being requested.

Mayor Hall asked Ms. Miller to explain what the marketing increase request means.

Mayor Hall asked for clarification on the Maricopa Library increase request.

Council Member Duffy commented on his time in CRS and where it is now. Sports is what brings everyone together, when this time passes, the rec department is maxed out already. We need to take care of this department. Our kids will be waiting to get out and be active once this is over.

Mayor Hall reconvened the Special City Council Meeting at @ 12:33 p.m.

Continuation of discussion on Sports & Tourism.

Council Member Sanders questioned what is the average surcharge that the City keeps each year?

Kendra Pettis replied to the question.

Vice Mayor Judd commented on the Ribfest Throwdown to make sure we are still secure for this event.

Council Member Sanders asked to clarify that this is a reimbursement program.

Council Member Remley asked what have we already spent on contractors?

Internal Services Section:

City Attorney

Council Member Remley asked for clarification on the reserves for Worker's Comp claims.

City Attorney Wingo commented that there is legislation coming our way that will increase claim costs. We are in legal compliance right now, but need to plan for future claims.

Council commented on the Claim Settlement increase and asked for additional information that justifies this increase.

Ms. Davis and Mr. Wingo advised Council that the actuarial report will be sent to Council.

City Clerk

[City Manager's Office](#)

[Council questioned the City Hall 2nd floor reconfiguration.](#)

[Finance Department](#)

[Human Resources](#)

[Information Technology](#)

[Mayor and Council](#)

[Public Works](#)

[Water Resource Management](#)

[Additional Council Comments/Questions:](#)

[Council Member Sanders asked if we have a ballpark number on the savings we will have with not filling vacancies at this time.](#)

[Council Member Remley commented that he has a great deal of respect for Finance and the work you do with the budget process. My big concern is that we don't want to end up like in New York. It is very frustrating that we don't know our sales tax numbers until 90 days later. The labor numbers that came out yesterday were almost earth shaking and how far things have gone in a little more than a week. The next few weeks, the numbers will be very scary. We do need to be hopeful but we do need to be prepared. I am concerned that the current year 2020 budget we may make it or not, but we are going to have a hit on sales tax. My heart goes out to our small businesses here, they are taking a big hit. I hope our residents really come back and shop in Surprise and support our businesses.](#)

[Mayor Hall feels confident in our City Manager and Finance team that know if we need to pump the brakes and when. We have a much stronger foundation now than we did from the recession in 2008.](#)

[Council Member Winters commented that this budget meeting today was very important but not as important as the safety of our residents. Please stay at home as much as you can.](#)

[City Council thanked staff for their presentation.](#)

Executive Session

Adjournment

Council Member Winters made the motion to adjourn the Special City Council Meeting (Budget Retreat) of March 27, 2020 at 4:30 PM. Council Member Hayden seconded the motion. Seven yes votes, motion carried.

Skip Hall, Mayor

ATTEST:

Sherry Ann Aguilar, City Clerk, MMC

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Special City Council Meeting - Budget Retreat of **Friday, March 27, 2020.**

Sherry Ann Aguilar, City Clerk, MMC