



CITY OF SURPRISE
Regular City Council Work Session
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, April 16, 2019 @ 4:00PM

A. Call To Order

B. Roll Call

Mayor Hall called the Regular City Council Work Session to order at 04:00 p.m. at Surprise City Hall Council Chamber, 16000 North Civic Center Plaza Surprise, Arizona 85374, on Tuesday, April 16, 2019. Also in attendance with Mayor Hall were Vice Mayor Winters, Council Member Hayden, Council Member Judd, Council Member Duffy, Council Member Sanders and Council Member Remley.

Staff Present:

City Manager, Michael Frazier, City Attorney, Robert Wingo and City Clerk, Sherry Ann Aguilar.

1. Discussion and Presentation regarding the City Manager's FY2020 Recommended Budget - NO ACTION

City Manager Frazier opened the discussion on the City Manager's FY2020 Recommended Budget and commented that the theme for this budget year is "growth". He then turned the presentation over to Finance Director, Andrea Davis and Asst. Finance Director, Holly Osborn.

Ms. Davis gave an overall summary of budget requests.

Council Member Remley - When and where is the construction sales tax collected?

Ms. Osborn - Certificate of Occupancy of a building or sales tax.

Council Member Remley questioned how does Home Depot know if I buy a large amount of lumber for a project that it is not commercial?

Ms. Osborn explained the process for transactions.

Mayor Hall - Cost basis or permanent basis?

Ms. Davis explained how this is calculated.

Ms. Osborn continued the powerpoint presentation on FY2020 Recommended

Budget.

Review of 2020 cost increases such as new facilities; developer reimbursements and agreements, contractual increases; IGA increases and compliance items.

New positions were next topic for discussion.

Mayor Hall - The accreditation, does this have a resultant lower homeowner's insurance?

Chief Abbott, commented that it is tied in with ISO, for their evaluation process. Presentation last November, anything south of the 303 and Bell Road, went from class 2 to a class 1.

Council Member Sanders - inquired about grant funding.

Council Member Judd - Ambulance #5, what about the capital costs? City investment? Revenues cover operating expenses, capital is borrowed from the general fund with repayment option.

Council Member Remley - What was the impact of the minimum wage increase on the budget?

Chief Abbott - \$48,000. this year, and \$60,000. last year.

Council Member Remley - Paramedics and EMT's we are adding are civilian positions, why?

Chief Abbott - Adding to what we are currently doing and to minimize costs, we went with civilian route.

Council Member Remley - Questioned transport costs.

Council Member Duffy - Question about 5 sworn firefighters - Train at busier stations or dispersed around? Fill in opportunities for slower stations and where needed.

Next General Fund positions requested.

Council Member Judd - Questions on analysts, how many senior analysts do we have in transit? What does the day of a transit analyst would consist of? Terry Lowe gave an explanation of the needs for this position.

Council Member Judd - How many HR Analysts do we have?

3 full time HR Analysts. Recruitment and application collections, classification and compensation. This position will focus on police and fire.

Council Member Sanders - When Circle City water closes, then will this trigger new hires?

ACM Terry Lowe confirmed this is correct.

General Fund Balance was the next topic.

Council Member Remley - Is the beginning balance of the general fund, is that what it will be as of June 30th?

Ms. Osborn - Correct.

Council Member Remley - Our budget this year is larger than last year, no wild changes in staffing, etc., The bond funding is a significant component of the increases, is this correct?

Ms. Osborn - Yes you are exactly correct.

Council Member Judd - My biggest concern is the Beginning balance higher than the Ending balance. We know at some point, the economy will slow down. I would expect that we would plan to have a larger ending balance. It seems we are going backwards a little bit.

Council Member Judd - How much in the operating reserve?

Ms. Osborn - 2 months

Capital Improvement Plan - \$106.3 Million

Mayor Hall - What is the TTHM? By product of the wastewater to drinkable status before putting back in the ground.

Council Member Remley - Back to Parks and Recreation, as I recall when we approved the tennis court lighting, we said that was because the pool slide was delayed. I don't see the pool slide in here.

Council Member Remley - Where do we refill our fire trucks at?

Chevron station at Reems and Bell.

Council Member Remley - Are we going to get the roads done in Coyote Lakes?

EPCOR is in the middle of construction, as soon as they are done, we will get to resurfacing there.

Council Member Remley - If we are going to replace the meters, do we have any personnel reductions in plan?

No, fit in with other areas that need staff.

Council Member Remley - What will the 4.3 million cover?

All city meters.

Council Member Remley - When we are talking 4.3 million, does this include the installation cost?

Yes everything.

ACM Lowe - Gave an explanation for over a 5 year period.

Council Member Judd - About the meters, can you explain? What kind of failure rate do we expect? If someone's meter dies, are they getting free water? Cost difference for new compared to old meters?

Primary and Secondary Property Tax - Council previously decided to keep the rates the same.

Budget Calendar

Vice Mayor Winters - This is the time of the year when we have to explain to our residents, it's very difficult. It is misleading to our residents.

Mayor Hall thanked staff for their hard work on the budget process, you have done a great job explaining.

G. Call To The Public

H. Regular City Council Meeting Agenda

3. REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

K. Executive Session

L. Adjournment

Vice Mayor Winters made the motion to adjourn the Regular City Council Work Session of April 16, 2019 at 5:29 PM. Council Member Duffy 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 Regular City Council Work Session of **Tuesday, April 16, 2019.**

Sherry Ann Aguilar, City Clerk, MMC