CITY OF SURPRISE

City Council Work Session Minutes
00 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, May 10, 2011 @ 04:00 PM

CALL TO ORDER.

A. Roll Call

Mayor Truitt called the **Regular City Council Work Session** to order at 04:00 p.m. Surprise City Hall Council Chamber 16000 North Civic Center Plaza Surprise, Arizona 85374 , on **Tuesday, May 10, 2011.** Also in attendance with Mayor Truitt were Vice Mayor Hall, Council Member Alton, Council Member Williams, Council Member Villanueva, and Council Member Woodard.

Staff Present: Interim City Manager, Mark Coronado, City Attorney, Michael Bailey, and Deputy City Clerk, Linda Stevens.

Regular City Council Work Session Agenda:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

#3. Call for public input regarding agendized items.

Bob Vukanovich read the following statement for the record: A few questions on the 2012 budget discussion being held tonight in the workshop.

Unfortunately we were not given any paperwork on your agenda item, *Presentation and discussion regarding the FY 2012 Budget, including update Capital Improvement Plan and potential Interfund Loan Refinancing.

So I will use the Fiscal Year 2012 City Manager recommended budget in addressing the Operating Reserve Fund, that has been in place since the year 2000.

Under the Major issues, it states that the fund balance of the city's operating budget was reduced by $5.6 million as result of the corrections and the two month operating reserve was not fully funded at June 30, 2010 as the current year budget contemplated.

What is this telling us?

In the 2010 Budget that was approved by council says there is; Reserves Operating reserves of $27.4 million are set aside to the offset fluctuations in operating revenue sources which are most susceptible to changes in the economy, Reserve balances are equal to two months of operating

revenues for operating funds and one year of debt service payments for debt other than general obligation debt.

In the approved 2011 Budget presented by ICM Mark Coronado it states that in the reserve budget, funds were set aside.

Reserves Operating reserves of $18.4 million are set aside to offset fluctuations in operating revenue sources which are most susceptible to changes in the economy. Reserve balances are equal to two months operating revenues for operating.

The 2012 Budget on page 3
(Operating funds has not been programmed for 2012)
(The operating funds has had to make interfund loans and is also cash poor)

On page 342
(Reserve funds will be maintained to ensure the continued delivery of city services)
(The Operating Funds Reserve, equal to two months of annual budgeted operations expenses will be maintained)

Another thing that should be looked at, we inflated some departments in 2011 so by decreasing 2012 it makes the budget look good, but in reality we are still higher than 2010.

I have a solution to our problems, but don't believe that the city could handle my solution.

#1. Discussion of proposed Code amendment amending Chapter 3 of the Surprise Municipal Code by amending Section 3-15 and adding Section 3-18 and Sections 3-70 through 3-78 regarding Meet and Confer - NO ACTION

Deputy City Attorney, Misty Leslie gave a presentation regarding the proposed amendments.

Presentation

Council Member Alton stated that he is disappointed that he is just now receiving the information

Council Member Alton inquired about mediation and sitting Judge.

Council Member Alton suggested tabling this item for two weeks.

Vice Mayor Hall stated that he likes option 2.

Council Member Alton commented on the City Clerk's involvement in the election.

Council Member Williams commented on prohibited activity.

Council Member Woodard commented on contagious diseases.

#2. Presentation and discussion regarding the FY 2012 Budget, including update Capital Improvement Plan and potential Interfund Loan refinancing - NO ACTION

Chief Financial Officer, Scott McCarty gave a presentation regarding FY 2012, CIP and Interfund Loan refinancing.

Presentation

Council Member Alton commented on re-paying debt and replenishing the reserve.

#3. Call for public input regarding agendized items.

Brian Moore commented creating an MOU and Meeting and Confer.

Mike Planeta commented on MOU.

Ken Wright commented on mediation.

#4. Consideration and action to adjourn the Council Work Session and enter into executive session - NONE

#5. EXECUTIVE SESSION: NONE

Discussion and consultation with the City Attorney to receive legal advice and to provide direction with regard to City's position and negotiations with employee organizations. A.R.S. §38-431.03(A)(3) and (5).

ADJOURNMENT:

Mayor Truitt adjourned the Regular City Work Session of May 10, 2011 at 6:24 p.m.

Excerpt

_____
L.E. Truitt, Mayor

ATTEST:

_____
Sherry Ann Aguilar, City Clerk,

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, May 10, 2011.**

_____
Sherry Ann Aguilar, City Clerk,