CITY OF SURPRISE

City Council Meeting - Budget

16000 North Civic Center Plaza
Surprise, AZ 85374

Saturday, April 30, 2011 @ 08:00 AM

CALL TO ORDER.

A. Roll Call

Mayor Truitt called the **Special City Council Meeting (Budget Retreat)** to order at 08:00 a.m. Surprise City Hall Council Chamber 16000 North Civic Center Plaza Surprise, Arizona 85374 , on **Saturday, April 30, 2011.** Also in attendance with Mayor Truitt were Vice Mayor Hall, Council Member Alton, Council Member Wolcott, Council Member Williams, Council Member Villanueva, and Council Member Woodard.

Staff Present: Interim City Manager, Mark Coronado, City Attorney, Michael Bailey, and City Clerk, Sherry Aguilar.

B. Pledge of Allegiance

Special City Council Meeting Agenda

CALL TO THE PUBLIC:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

#1. Continuation of the Budget Retreat regarding topics not covered on April 29, 2011.

Community Development Director/Economic Development Director, Jeff Mihelich started the first powerpoint presentation.

Discussed Primary Functions for both departments.

Council Comments/Questions:

Council Member Alton - We are known for not being very friendly for the permitting process. Mentioned the City of Scottsdale process.

Council Member Alton - We are sending a mixed message. We bent over backwards on Gestamp and Rio Glass but for the small remodels, it takes too long.

Council Member Alton - Do you have enough money/incentives for Economic Development?

Mr. Mihelich - We are looking at taking one of our staff and giving them the status of Supervisor. I think staffing is fine at this point. We have great access to ED tools.

Council Member Wolcott - Consulting Services - Could you please explain how this fund is used.

Mr. Mihelich - Hire consultants for outside staff - examples: Urban Economist Group; Special Inspection or plans review; Chamber of Commerce Contribution.

Council Member Williams - Asked about the resources available for the strategic plan. Made the suggestion for Council to take their discretionary funds and add it to ED for staff, resources, etc. We have a revenue issue so we need to take advantage of opportunities as they come up. Very supportive of your department and what we have been able to bring in to the City.

Mr. Mihelich - Currently should be fine for this year, but may come back next year with different needs. The focus needs to be on higher education and energy. If we see an opportunity that we need to take advantage of we are going to do this with support of the City Manager and Council.

Council Member Wolcott - How much did we spend on the Marketing Study? What did we get for this? I recall it said that we do not have an identity? How do we market this? You are currently doing this in ED right now.

Mr. Coronado - $52,000.00 roughly.

Mr. Mihelich - Let’s be the Trail Blazer. People ask why are they interested in Surprise? Clean, growth, recreation, etc. We are a healthy community. Rio Glass and Gestamp talk about our qualities and it explains why they came here to Surprise.

Vice Mayor Hall - Do we need all of the dues and memberships?

Mr. Mihelich - This is very important - every division has certain licenses and certificates to maintain. It is in our best interest to have the most qualified staff on board.

Council Member Alton - Do you think we are at the point of having two block party trailers?

Mr. Mihelich - Spring/Fall - Everyone wants the trailer because of the nice weather. Not sure we can afford having two at once.

Council Member Wolcott - this is something that we need to think about. A great opportunity to create a sense of community for our residents.

Council Member Williams - Page 82 - Small business increase? What is this?

Mr. Mihelich - Small businesses coming into City and recruitment. Includes in-home businesses.

Council Member Alton - Need to have an advisory group of financial experts. Other cities have a revolving loan fund. Can this be done? Can a public/private partnership work? Food for thought.

City Attorney Bailey - Need to do some research on this issue, need to look at legalities.

Council Member Villanueva - Neighborhood Revitalization Fund - 10% Set-A-Side Fund. Was originally created for the OTS, and was changed in 2004 for the entire City. 09-129 is through 2015.

Vice Mayor Hall - Has Prasada done a retail leakage report? Please ask them to do this.

Community & Recreation Services Department - Mark Coronado, Melissa Miller and Donna Miller presented the CRS budget.

Coronado mentioned that the City is behind one pool. Should have one pool for every 30,000 residents.

Council Member Williams - Would like to see CRS partner with the school district to build pools in a partnership and it would be a city pool.   Ask that CRS engage in that conversation.

Council Member Hall - 85% recoverable, correct? Self sufficient is 3 years.

Council Member Williams - Asked for clarification of hours being used. What times are the pools open and swimming lessons?

Mr. Coronado reviewed all highlighted events for 2010 including 50th anniversary celebration, tennis tournaments, spring training attendance increases, etc.

We are currently renting facilities and have done more advertisements to encourage revenue. Looking to maximize our seasonal revenues by 90%.

Council Member Williams - Facility Rentals - Anyway to create a partnership so that there registration is coming through CRS relating to Pop Warner and Area Club Teams.

Mr. Coronado - I am having a meeting with Soccer Reps., they have expressed that they are tired of traveling to Glendale to play soccer. We need to find a way to keep them here in Surprise.   We are in the business to provide recreation activities to our residents.

Mr. Coronado - USTA Pro Circuit - Hard to justify, need to find a partnership for this program.   the media will only come if there is a story, only if there is a potential star.   USTA would like for us to keep it, but reality is it is not financially beneficial to us.

Mayor Truitt- We talked about this a few years ago as becoming more of a cultural event than anything else.

Mayor Truitt- Would like to bring back discussion of Pickleball. Norm Davis has brought this forward to me again and he says it is more popular than ever.

Mr. Coronado - Pickleball courts would not work favorably at the tennis facility. The CIP was cut back due to the economy and this is one of the projects that was cut.

Mr. Coronado - Maricopa Library IGA - Need to look at this IGA, we have some challenges.

Vice Mayor Hall - The rooms at the library do not seem to be utilized very much.   we are putting solar on the library, correct? Yes this is being worked on right now.

Melissa Miller- The community room is booked 6 to 7 days a week. It is in conjunction with the City and Library.

Recreation Campus - Activities:

Discussed the types of activities that are taking place at the stadium and surrounding amenities. City of Surprise programs utilize 75%.

Spring Training Revenue - Discussed all of the incoming revenue for recreation activities throughout the year plus sponsorships.

Council Member Alton - We are having a tremendous amount of visitors coming from outside of the City. We need to be able to sell our City Store merchandise at the stadium. I still have an issue with this. Is there anyway we can look at this?

Mr. Coronado - I will be discussing this issue and yes we can work on this.

Tennis Facility - Seating challenges:

Cancer Treatment Centers of America Championships - Commitments are already being made right now for the next tournament. Discussed maximizing events to take place on the same days.

Vice Mayor Hall- Is there a way to help the Chamber and our visitor center with directing people to the Chamber? The signage is not very good. any suggestions? A remote visitor center? To enhance visitors to stay in Surprise.

Mr. Coronado - Breakdown of Line Item Justifications - Food/Non-Travel, etc.

Council Member Woodard - Why do we have so many fireworks? Some residents are complaining about the amount of times we have fireworks? They are not special any longer.

Mr. Coronado - 5 opportunities a year for fireworks. 3 are under contract obligations. Will make Council aware before the fireworks take place.

Council Member Alton - Arts and Cultural Board request - Attended the committee meeting, they asked if they had an opportunity to come forward to Council to request funds. We have lost our museums, there are many residents who like to cultural opportunities in the City. Artwork through City Hall, children’s art, etc. Can we please consider?

Council Member Woodard - Donation Funds? $132,800. currently in the budget that has not been used. The board did not know they had funds available, apparently staff did not know either.

Mr. McCarty - Explained what took place in the 2009 budget.

Vice Mayor Hall - Didn’t we have an art component in the proposal for the Tourism Committee?

Council Member Alton - We have a tremendous venue for an art walk - the AZ. Techcelerator.

Mayor Truitt - I am concerned that if we allow for one board to submit, will we create an issue that we really don’t need to deal with for the other boards? I would like to look for some direction from staff on this issue.

Council Member Williams - The issue that I have with this is how does this fit into the Strategic Plan? We are looking for every dollar that we can utilize so not sure this is what we should be concentrating on right now.

Council Member Wolcott - First we need to find out if the money is there. We don't have to tie this up right now, we can carry it forward. We can ask all of our boards to turn in an RFP to assist Council with prioritizing.

Mr. Coronado - We need to have a Boards and Commission budget - so many of the members do not really know what our direction is. There is no current budget to send the members to training/conferences, etc.

The Council asked that all of the boards/commissions bring back a Master plan. That plan should include a funding mechanism.

Council Member Wolcott - I have wrestled with our individual Council District budgets. Currently $4,000. right now. Would like to offer up these funds to help create a budget for boards/commissions. Asked Council to please consider.

Mayor Truitt - We need to take a look at the definition of the District Funds and where they can be better utilized.

Vice Mayor Hall - Not sure of what the purpose of the Arts Board is? What projects are they working on?

Council Member Woodard - How many of our commissions have a source of funding?

Mayor Truitt called for a break at 10:19 a.m.

Public Works Director, Bob Beckley gave an overview of the Public Works Department.

Discussion took place regarding the Reorganization. Review took place of the enterprise and operational funds for the various divisions under PW.

Council Member Alton - Questioned whether or not the Employee Relations Division Manager be Beckley's job? Has this position been put in place already?

Council Member Woodard - I think what Beckley has done is forward thinking for the amount of employees he has under several divisions and of course will have turnover issues. Will probably see increases in EEOC this year.

Vice Mayor Hall - Highlighted the reductions for all divisions, point being that every division has reduced staff from prior FY due to the reorganization.

Vice Mayor Hall - Development Engineering - Gas and fuel is twice over last year.

Development Engineering - What are the service agreements?

Safety and First Aid Supplies - More than doubled.

Water - Facilities is up $20,000.

Office Supplies - One time cost - $50,000. Chamber condenser - Reduce the cost of energy dramatically.

Travel/Training - Increased amount. Sustainability training.

Recording/Licensing Fees - ADEQ permit fees.

Capital Fund - Bullard Library Improvements - Painting and carpet.

Traffic Signals Non-Growth - $118,000. - Where? Signals are knocked down and need repairs. Re-timing, upgrading, additional enhancements, etc.

Council Member Villanueva - Thank staff for the great job on Greenway Road. Quick and efficient.

Transportation - CIP:

Council Member Woodard - Questioned the number of staff under CIP and current projects.

Mayor Truitt- How long will this take to complete? 4-5 months to completion or less.

Discussion took place on the proposed Pavement program. Maps were distributed for review of various areas throughout the City.

Council Member Wolcott - PW needs to do public outreach on the pavement program since this is becoming a big problem especially for Sun City Grand.

Citywide Pavement Repair Program - Ten year project - 120 million dollar per year project.

Vice Mayor Hall - Can all of our vehicles be converted into natural gas? Yes we are doing that right now.

Council Member Alton - Need to cross train all of our employees. You have people that can go from one position to another when needed.   Administrative staff seems to be a little heavy in your department. This should be looked at for all departments.

Mayor Truitt called for lunch break at 12:03 p.m.

The Special City Council Meeting reconvened at 12:51 p.m.

Intergovernmental Relations Director, Michael Celaya - Gave an overview of his departmental budget.
Council Member Villanueva - Right now we don't have a lobbyist in DC. What is the plan for this position?

Mr. Celaya - We have a line item for Consultant Services. This may be used for that position.

Council Member Alton - Are there times when we need a local representative? Would we get more benefit from a local person?

Council Member Woodard - We talk about federal and private grants, but there are a lot of individual groups that put out grants so we would need to have a grant writer that has government experience. This person will more than pay for themselves.

Mr. Hillman - Gave an overview of his experience in Clearfield, Utah of similar circumstances for grant writing and lobbyist. Hired a firm for grants 7 weeks ago.

Council Member Wolcott - Other cities are not only using the League resources, but they are taking issues into their own hands and presenting legislation that would benefit their city or town. We need to look at this as well and not rely totally on the League of Cities. We are one of the ten top cities in Arizona.

Council Member Alton - Would like to see our citizens more involved with government issues and what the City’s stand is on the issues. We need their support. Give them a template, a list of legislators. There is more power in numbers.

Council Member Alton - there is only one of you, you have more things on your plate. is there a need for an additional person in your department? There may be some changes in the department coming up.

Finance Department Report - CFO, Scott McCarty - Discussion took place regarding to the reorganization. Have not been fully staffed until the last few months. Need to manage our assets better and upgrade some of our software programs.

Council Member Woodard - Reports need to have more detail, need to look at upgrade to information on reports and make sure it is correct on "It’s Your Money" site on the website.

McCarty - If the public wants more line items, we can do this.

Council Member Wolcott - Your department has been challenged more than any other department and you have done a great job. You have given us the information we needed to move forward in a proactive way.

Mr. Coronado - That’s what you see on the internal side. Internally the Finance Department is a support department. He had a very difficult time with the re-org.

Council Member Alton - Something has always concerned me, at the end of the year, how much money do we have left over?

Mr. McCarty - Guessed off the top of his head, approximately 2 million to carry over for this year.

Information Technology Director, Randy Jackson gave an overview of their departmental budget overview.

Council Member Alton - The worst thing we can actually buy is computer systems, correct? At one time the City contracted with Cox Business, how long ago was that? Outsourcing could be better spent at upgrading our systems in the long run.

Mr. Jackson - I have never been a fan of outsourcing.

Gina Busby - We actually did an assessment - $34,000. for maintenance and software. Create your priority list and cover those critical systems. We will do some research and get back to you.

Mr. Kolb - There are many requests that do not make it through the review process.

Mr. Jackson - We are short $400,000. to be able to do proper replacements at this time. There will be more next year. We already need to replace 10 servers, and next year we will need to replace 15 servers.

Another issue is training. Over the last 4 years, IT training has been cut 50%. We have lost 2 employees to RIF's, but our customer base has increased. We need to recognize that training is important to the employment base.

Human Resources Director, April Reynolds gave an overview of the Human Resources Departmental Budget.

Council Member Alton - Are you looking for a full time position or a consultant for ADA? Will you do an RFP for a consultant?

Vice Mayor Hall - How long do you expect the consultant to work on this project? Depending on need. We built this building, why would we need to hire someone to do this on new buildings?

Council Member Villanueva - Didn't we cut off the funding for the Disabilities Commission 4 or 5 years ago?

Ms. Reynolds - 300% increase in employee related filings. Enhance citywide training program to include supervisory academy and compliance curriculum. Asking for a Labor Relations position in this organization.

Vice Mayor Hall - We put 500+ employees through training and our complaints and grievances went up. is this really solving the problem.

Ms. Reynolds - We give harassment training every year, and each time we have a training, we see an increase in complaints filed. Training heightens the awareness.

Vice Mayor Hall - Can you supply a report without names of incidents filed. I was shocked to see 12 complaints filed in 2010, and currently 82 complaints filed. Something is wrong somewhere.

Misty Leslie - I would encourage that this not be released, this is not public information.

Mr. Coronado - Commented that most of the complaints are in a couple of departments, not citywide.

Vice Mayor Hall - Questioned line items such as training, membership and dues, etc. How are you going to interface with Public Works employee relations staff person?

Ms. Reynolds - He is not a human resources employee, he is a coach and mentor and is very good at this.

Vice Mayor Hall - Do we do exit interviews? Can we look at those?

Ms. Reynolds - Those documents are confidential and we tell the employees this.

Ms. Reynolds - I can tell you the morale has gone up over the past year significantly. We use the Employee Appreciation Committee to check to see what employees need, have employee appreciation luncheons, peer-to-peer award. the 4/10 schedule is very popular and brought up employee morale.

Council Member Alton - Thanked Coronado for supporting staff and being open with employees.

Mr. Coronado - All employees have asked for is the truth. Mr. Hillman is a communicator and he agrees with this.

Mayor Truitt - No merit increases for years, correct? Can we look at increases, COLA's for the future so that we can have something to tell the employees?

Ms. Reynolds - 4 years for merit, 3 years for COLA.

Mr. Coronado - Several cities have rewarded employees, Peoria gave the employees the week off between Christmas and New Year's Day. thee are things we can look at.

Vice Mayor Hall - Structuring an Incentives Program for cost savings ideas. Would like to see this in place as soon as possible. Not sure morale is up as much as you think.

Council Member Alton - The buck stops with us. if we are not functioning well, the City's not functioning well. We have came a long way even if its an election year.

Council Member Williams - The highlight for me over the past year was developing the Strategic Plan. Would like to have a work session on what we need to function as a system and here is what we need to guide us towards completing the Strategic Plan.

Council Member Woodard - Food/Non-Travel - What is this for?

Ms. Reynolds - All day training sessions for career development, supervisor skills for water, pizza, sandwiches, etc.

Council Member Woodard - Took 3 divisions and collapsed into one? Even though decreased, came up with $250,000. more. Also, don't want to promise employees increases, we may not be able to do this so we need to be careful.

Marketing and Communications Director, Ken Lynch gave a summary of the departments budget.

Review of activities Communications Department is involved in for advertising, etc.

Vice Mayor Hall - Your department does a fantastic job! Channel 11 programming is wonderful. Social media was a topic at the Tucson conference. Are we maximizing our social media for visitors?

Mr. Lynch - I am encouraged departments to have their own twitter feed so they can focus on specific questions relating to their departments so they do not have to go through hundreds of tweets that they are not interested in.

Council Member Alton - City Store?

Mr. Lynch - City store is supported by $21,000. in the general fund. if you want to market our merchandise, we should think about licensing. We could offer our products for sale in other states.

Council Member Woodard - Salaries, your total budget looks like it is going to come up short. Part-time employees budgeted, it appears you overspent your budget by $13,000.

Mr. Lynch - Part-time employees hours vary per week depending on activities.   Every one assists each other in the various responsibilities to get the job done.

Council Member Woodard - General Consultants - Specialized voice over work, on camera talent, pre-videography, special one time items as needed.

Vice Mayor Hall - Do you have any plans to connect a tourism component for visitors.

Mayor Truitt - Can we have a link or way to list jobs that are available in our community?

Council Member Woodard - Have you talked with David Moss at the Chamber about working together?

Mr. Lynch - Yes we sure have. Chamber Minute on Channel 11 - Interviews a Chamber Guest.

City Managers Office, George Kolb, Assistant City Manager gave an overview of the City Manager's budget.

Reviewed accomplishments for the past year and goals for the upcoming year.

Vice Mayor Hall - Who takes care of the person at the front lobby desk?   This person is under CD. e need to make sure this person is warm and inviting for a new person coming into the City. please make sure this position is evaluated.

City Clerk, Sherry Ann Aguilar gave an overview of the City Clerk's Office budget.

City Attorney, Michael Bailey gave an overview of the City Attorney's budget.

Mr. Bailey discussed development agreements.

Vice Mayor Hall - Do you know of any City that has a Council handbook on repetitive legal issues, open meeting law, e-sessions, etc. A legal summary handbook would be preferred.

Vice Mayor Hall - Legal Services, office supplies, consultants, etc.

Mayor/Council Budget Review:

Asst. City Manager Kolb explained the memberships and dues list.

Vice Mayor Hall - Would like to see a recognition program in place for boards and commission members while they serve and when they leave.   We have money budgeted for this.

Council Member Woodard - Questioned dues and subscriptions, mileage reimbursement.

Council Member Wolcott - I would hate to see us restricted when we become active as we said we would be.

Council Member Alton - Some charities came forward and money was given to them.   We need to have a policy in place.

Mayor Truitt - Consensus to do a work shop to create some guidelines.

Council Member Woodard - Travel/Training - Lower from $8,000. to $4,000.

Vice Mayor Hall - I agree we need some guidelines so that we can set an example. we are asking departments to be lean, then we should walk the walk.

Council Member Wolcott - Have we not seen through the last year to travel out of town to secure economic development? "I don't want to cut my nose off to spite my face".   This Council has done a lot in the last year to cut our budgets. We are trying to be more active as a Council and Mayor.

Council Member Alton - At the end of the day, most of that money won't be spent.

Closing: Mr. Coronado thanked the Mayor and Council for a very professional budget process. Looks like we discuss at May 10th but call a special meeting on May 17th for approval.

Mr. McCarty - By State Law we need to have the Tentative Budget adopted on May 24th. There are two meetings prior to this to answer any outstanding questions.

Discussed a tentative plan of action to finalize the budget.

Council Member Wolcott - I would like for us to include the Bell Grand Interchange, putting some money aside for the future. There may be some MAG money available but we don't know where it is going to go.

Adjournment: 5:06 p.m.

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#2. Consideration and action to adjourn the Council Meeting and enter into executive session.

EXECUTIVE SESSION: None

#3. Pursuant to A.R.S. § 38-431.03(A)(3), the City Council may go into executive session with the City Attorney for legal advice on any item listed on the agenda.

#4. Consideration and action on executive session items.

ADJOURNMENT:

yor Truitt adjourned the Special City Council Meeting of April 30, 2011 at 5:06 p.m.

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L.E. Truitt, Mayor

ATTEST:

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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 Special City Council Meeting (Budget Retreat) of **Saturday, April 30, 2011.**

Sherry Ann Aguilar, City Clerk,