

MINUTES OF THE WORK SESSION OF THE CITY COUNCIL OF THE CITY OF
COTTONWOOD, ARIZONA, HELD APRIL 27, 2017, AT 5:30 P.M., AT THE COUNCIL
CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Elinski called the work session to order at 5:30 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Tim Elinski, Mayor
Ruben Jauregui, Vice Mayor (arrived at 5:52 p.m.)
Kyla Allen, Council Member
Deb Althouse, Council Member
Tosca Henry, Council Member
Linda Norman, Council Member
Karen Pfeifer, Council Member

STAFF MEMBERS PRESENT

Rudy Rodriguez, Deputy City Manager
Marianne Jiménez, City Clerk
Steve Horton, City Attorney

DEPARTMENTAL BUDGETS

Fire Department

Chief Kuykendall reviewed the Fire Department's budget and stated not being able to approve budgeting for some items are going to be a real problem in the near future, and he thought they could get by this year but some of the things are reaching the 10 year mark which was the recommended date for them. Items cut to get within the budget were items in training, some of the volunteer programs, and some of the EMS expenses and operational equipment supply budget. He handed out a copy of the Cottonwood Fire and Medical department call volume statistics from 2012-2016,

Council Member Allen asked the Chief if he had any kind of reason for the increase in the call volume.

Chief Kuykendall stated our population is increasing in age and a lot of calls were medical. There was a bigger increase in calls for public service, and citizens' assist, which was a social issue in our country that a lot of the elderly population don't have families or others to help them so they are calling the fire department to pick them up and do those things. In general, we are seeing an increase of activity in our area. We serve a population of 11,000-12,000, but during the day serve a much higher population base.

Mayor Elinski asked what the large jump from last year to this year was under furnishings and equipment.

Chief Kuykendall stated the \$660,000 was the lease purchase of the fire truck and rescue tool. It was in this year's budget and rolled over to next year's budget.

Police Department

Mr. Rodriguez went over the police department budget which had gone up 8.6 percent; a large portion of that was the public safety retirement. There were budget cuts in equipment and building supplies. The police department came back with the biggest cuts in their budget--the two police officers and communication personnel, and were instrumental in keeping the city's budget balanced.

Mayor Elinski stated the community policing has dropped by \$4,600, and questioned what would be cut.

Commander Makuch stated they had budgeted \$3,000 for the Cottonwood Cares Program to assist with fundraising.

Animal Control

Mr. Rodriguez reviewed the Animal Control department's budget and stated their budget increased by 6 percent, which was workman's comp and health insurance.

Communications

Mr. Rodriguez reviewed the Communication Department's budget and stated they had eliminated one position. They had a 12 percent increase, mostly in utilities and telephone.

Commander Makuch went over a PowerPoint presentation regarding the Police Department's fiscal year 2018 operational constraints which are personnel constraints and significant recruitment challenges. It was imperative that the proper number of officers are deployed, and the current budget represents the fourth officer position cut due to budgetary constraints. The police department had 21 police officers; 18 were assigned to patrol. There was a potential for adverse service impacts, reduction in proactive policing and reduced citizen interface. With a reduction in authorized training, it may lead to safety and additional liability exposure, reduced morale, and increased attrition. Initiatives such as Cottonwood Cares, the Citizen's Academy, recruitment media, the police department phone app, community service specialist position, crime analysis ability, and website enhancements have been impacted, ended or deferred.

Commander Eisenga then reviewed the Communication Center's operation area and stated they provided law enforcement dispatching services to the Cottonwood police department, law enforcement communications support to Dead Horse Ranch State Park rangers, fire and

EMS dispatching services to Verde Valley Fire District, Jerome Fire Department, Copper Canyon Fire and Medical Authority, and Sedona Fire District, and EMS dispatching services to Verde Valley Ambulance Company. The center had five communication vacancies, one supervisor absent for FMLA, (Family Medical Leave Act) and three dispatchers in training. He reviewed staffing challenges, and then reviewed the total calls received, dispatched calls and burn permit activations.

Parks and Recreation

Mr. Rodriguez reviewed the Parks and Recreation department's budget and stated they had to cut back on some of their summer programs and trim down some of their other programs. Currently, they had no capital budgeted.

Council Member Allen stated a 50 percent cut in the softball budget was pretty severe and questioned if anybody was stepping up to help with that.

Mr. Faust stated this was happening state-wide and nation-wide and softball programming has dropped significantly. In 2012 we had close to 18 men's league teams and at this point we were looking at 8 men's and 7 women's. We cut all of the spring programs and will try to regrow it by doing a fall program. This cut operational costs on lights and for the fields.

Recreation Center and Pool

Mr. Rodriguez reviewed the Recreation Center and Pool budgets and stated one the things they trimmed out was equipment maintenance and repairs, which was a 30 percent drop. They were also looking at possibly closing the pool a couple of weeks early to save money.

Mayor Elinski asked for an explanation of the rise in computer support which seemed like every department had a spike on computer support.

Mr. Rodriguez stated it was allocated per department by the amount of computers.

Council Member Althouse stated she assumed this department was also getting hit by the minimum wage increase.

Mr. Rodriguez stated Parks and Rec was one of the departments that was getting hit the hardest because they had the most amount of part-time employees.

Custodial

Mr. Rodriguez reviewed the custodial budget and stated we were looking at a significant increase due to the changes in the minimum wage laws.

Mr. Rodriguez then stated one department he forgot to mention was the Youth Center that used to be the old Boys & Girls Club. We had been remodeling the building in phases to fix a

lot of deficiencies that were there when we took the building back. This program was originally at the Rec Center but was having growth problems and was moved. It was a safe venue, but there are still some issues that need to be resolved and some areas have been blocked off until they are taken care of.

Library

Mr. Rodriguez reviewed the Library department's budget and stated they reduced their book purchases in order to be able to accommodate balancing the budget. This year the city is contributing \$851,000 into the library. The county's portion is \$169,000.

Municipal Court

Mr. Rodriguez stated the Court's budget showed a bit of growth from the current fiscal year. A lot of it is the health insurance and court enhancement expenses. The court gets a lot of unfunded mandates from the court system. Several years back the Judge proposed, and the council agreed, that we should have a court enhancement fee that he collects and when there are certain mandates that are required he draws from the money that is set aside for the court system.

Council Member Henry asked what is going into the expenses this year and if it was just the cameras that were causing the large spike.

Judge LaSota handed out a copy of the balance and expenditures of the court enhancement fund that was started in 2010. The \$80,000 figure is a lot of security things they have to do based on recommendations from the U.S. Marshals and the Cottonwood Police department, and other security things required by the Supreme Court.

Council Member Henry asked if these items he mentioned were actual mandates from any agency or department at this time.

Judge LaSota stated it was not mandated for a lot of those things, but certainly in the best interest of the city to have proper security protection for the court. He then continued with the review of the court's budget.

Economic Development

Mr. Rodriguez stated this was another fairly small department. They had a 3 percent increase and one of the things that was cut to balance the budget was cutting out some of the Focus on Success budget.

OTHER BUDGET ITEMS THE COUNCIL DESIRES TO DISCUSS

Mr. Rodriguez stated we normally have a section for other items the council would like to discuss or some issue they wanted to talk about or things they wanted in the budget.

There were no comments from the council, and Mr. Rodriguez stated the budget was not finalized yet and if something came up after tonight they could call or send an email to the finance department.

BUDGET WRAP-UP

Mr. Rodriguez went over the budgeted personnel changes/additions, status of employee benefits, which at a previous budget work session had initiated questions regarding the merit program and the average of the merit percentage given to employees, which was 3.86 percent.

Council Member Henry commented that earlier Mr. Rodriguez has stated we'd have under \$10,000 of an impact from the range changes with the personnel changes, and questioned if we had a long-term cost estimate of what this decision will cost us long term.

Mr. Rodriguez stated it was difficult to determine because we do have people that will leave and new people will come in at lower ranges. At the top end it would be about a five percent increase.

Mr. Rodriguez continued and reviewed the capital requests and approvals, which overall totaled about \$12,500,000, and the funding of outside agencies, which totaled \$373,880, including the Chamber which was funded by the bed tax.

Mr. Bartosh reviewed the council's Strategic Plan budget additions to the budget which included: \$6,400 for the Bicycle Advisory Committee; \$24,720 for Focus on Success II to continue to market Cottonwood; Thunder Valley Rally in the amount of \$150,000; funding for injections wells; dues for NAMWUA; increase of the roadway maintenance budget by 25 percent (increased from \$600,000 to \$750,000); and increase budget for sidewalk improvements by 25 percent (increase from \$80,000 to \$100,000.) He stated as we've gone through this budget process you can see that we've looked at reducing expenditures and each department has taken an overall budget reduction of 3 percent this year. It doesn't look like it because of the way we measure the percentages, but those cuts are in there.

Mayor Elinski stated when you look through the budget you see the increases of 3-30 percent in the budgets, and questioned how you reconcile those numbers.

Mr. Bartosh stated what that percentage is based on is the year-end department head estimate versus what was budgeted last year. If you look at the line that says, "department head estimate 6-30-17," it's what they ended up this year compared to what they are asking for next year. What he would like to see is a percentage that takes into account the budget requests for this year versus what was requested last year, and he thought you would see those decreases.

Mayor Elinski stated it would help more if we could compare it to the same budget from last year.

Council Member Allen stated if we can get that it would definitely help the public as well in their perception we are over spending money and let them know the budget is decreased by 3 percent.

Mr. Rodriguez stated we have to go back and take out all the capital and stuff in order to make that balance. There are a lot of factors involved. It was not that easy to say there was a 3 percent cut and that's all there is to it. You have to realize that all of our costs are also going up; salaries, retirement, and utilities. Regardless of all the increases that are coming in, staff has to go back and cut 3 percent off of their budgets. It's not an easy apples, to apples, comparison.

Mr. Bartosh stated he thought it was more of a line item issue as opposed to total budget. We are down four police officers, yet we're showing an increase in salaries, and that's based on the fact that it's the year-end estimate versus what we started the budget with. He and Rudy would talk about it tomorrow and figure out if there's a way we can present that, that gives the 3 percent more of a visual reality.

Mr. Rodriguez then reviewed the positions that were eliminated in the budget which were 2 police officers and 1 communication specialist, and other budget cuts that were made by departments which included travel and training; contractual services; temporary employees; overtime; office, printing and operational supplies; subscriptions and memberships; book purchases at the library; recreational programming; and vehicle and building maintenance.

Mr. Rodriguez reviewed the general fund reserve status. The 60 days coverage was a little over 3 million dollars, our capital accumulation fund was at 1 million, and undesignated reserves were \$30,075, and the city manager no longer had a contingency fund. He then reviewed the wastewater rates, infrastructure concerns for the Mingus plant, and stated realistic rate increases are needed to keep up with the aging infrastructure. Our temporary solution was to do a short-term loan from our water company and compensate the water company for the use of those funds. The permanent solution was to have the rate study done this coming year and look realistically at where we need to be.

Mayor Elinski stated he was still not on board with that interest rate.

Council Member Althouse stated she was not either.

Mr. Rodriguez stated the final budget adopt was scheduled for June 20.

Mayor Elinski questioned when he would come back and updated the Council on revenue streams and how we are doing on our projections.

Mr. Rodriguez stated almost monthly we put a report out online, and can go ahead and send it to you on a regular basis.

ADJOURNMENT

Council Member Althouse moved to adjourn. The motion was seconded by Mayor Elinski and carried unanimously. The work session adjourned at 7:36 p.m.

Tim Elinski, Mayor

ATTEST:

Marianne Jiménez, City Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a budget work session of the City Council of the City of Cottonwood held on April 27, 2017. I further certify that the meeting was duly called, and that a quorum was present.

Marianne Jiménez, City Clerk

Date