

**TOWN OF PRESCOTT VALLEY
SPECIAL WORK STUDY MEETING
MINUTES
April 30, 2014**

Library Auditorium
7401 E. Civic Circle
Prescott Valley, Arizona 86314

1. Call to Order

Mayor Skoog called the meeting to order at 5:30 p.m.

2. Roll Call

Present: Council Member Marshall, Council Member Whiting, Council Member Anderson,
Council Member Mallory, Vice Mayor Nye, and Mayor Skoog.

Absent: Council Member Grossman.

3. Discussion of proposed FY2014-15 budget - FOR DISCUSSION ONLY

a. 5:35 pm-6:15 pm General Overview - Larry Tarkowski, Town Manager, and William Kauppi, Management Services Director

Town Manager Larry Tarkowski welcomed and thanked everyone for their contribution in putting this budget together. November began the budgeting process, and then an Open House was held in December to gather public input. A final budget retreat was held with the Council members in January. We are going from a \$62 million budget this current year to a \$70 million budget next fiscal year. Management Services Director Bill Kauppi and his staff were thanked for another award winning document.

Tarkowski was glad to report that employees will be compensated with COLA and merit increases this year. The library will be open again on Mondays as of July 1. The Mountain Valley Splash Pool is proposed to open on Memorial Day for the season and reopened Sundays on July 1st too. During the retreats, Council said that they wanted to see: a) rebuilding of reserves, b) reduce debt, c) growing of jobs and d) treat our employees better.

Management Services Director Bill Kauppi expressed appreciation to his staff for helping him prepare the budget book. He gave a brief overview of the projected revenues, proposed expenditures, General Fund and Future Options prior to adoption of the budget. Kauppi proposed a Revenue Budget of \$61,417,120 for FY14/15 with Proposed Expenditures at the \$70,047,696 level. He forecasted that the General Fund will be increasing by 5 percent - an increase to \$26,646,611. The Town is adding 10 new staff positions, giving a 3 percent general wage and 2 percent merit increase and a 2 percent contribution increase in the 401K Retirement Fund

bringing it back up to the almost 20 percent we were at in 2007. Operating budgets have decreased. The General Fund went up and the Enterprise Fund and Special Revenues went down. The Town's debt service should be fairly level over the next couple of years. Future Actions include the scheduled May 22 tentative budget approval, then the June 26, 2014 public hearing and approval of the final budget, followed by the CFD budgets a week or two later.

b. 6:15 pm-6:30 pm Council Larry Tarkowski, Town Manager

Town Manager Larry Tarkowski presented the Council's budget proposed last year at \$108,197 now up to \$114,547 for this upcoming Fiscal Year based on Council's expenditure records. No new memberships or organizational dues have been budgeted for this year.

c. 6:30 pm-6:45 pm Executive Management and Non-Departmental Larry Tarkowski, Town Manager

Town Manager Larry Tarkowski stated that operational money increased the expenditures. Also included in that is a Volunteer Recognition Dinner to reward the volunteers and recognize them which increased the budget from \$806,364 last year up to \$938,704 this year. Professional services fees go to PCAC which runs Access Channel 13 for us. PCAC gets 2 or 5 percent of our cable franchise fee. Channel 13 and Channel 15 are paid out of franchise fees from Cableone. Community Access is provided through Channel 13 in partnership with PCAC. Channel 15 is for governmental purposes only. Sometime in September Channel 15 will become Channel 9 as Cableone entered into a contract with ABC which requires that the channels number must be the same as their number.

d. 6:45 pm-7:00 pm Library Stuart Mattson, Library Director

Library Director Stuart Mattson said he is glad they are opening up the Library on Mondays again, 9:00 a.m. until 8:00 p.m., which is much needed for the public. The two percent increase will be used for more materials and the credit card machine. Cake Works is trying to stay open on Mondays too. The Library will also be changing the Security Schedule to accommodate Monday openings.

e. 7:00 pm-7:15 pm Community Development Richard Parker, Community Development Director

Community Development Director Richard Parker said we are seeing an increase in building permits. Therefore, 2 part-time positions will be going full-time. Any extra funds in their budget will be going to car expenses and machine parts. They have a capital expense for a new fuel efficient car. They wrote a grant for implementation of regional software. If they don't get the grant they won't spend any money. They wrote a housing rehab grant application expecting to receive maybe half of what they got last year in 2013. They are preparing for a mid-decade census proposed for next year suggesting it be done by a sampling instead of full-blown mid-decade census by using volunteers. Parker acknowledged the work of his staff in budget preparation. Com Dev does not currently use volunteers. The Com Dev budget is proposed going from \$1,159,519 this year up to \$1,336,079 this next year.

f. 7:15 pm-7:30 pm Parks & Recreation Brian Witty, Parks & Recreation Director

Parks & Recreation Director Brian Witty said their objective is to restore Mountain Valley Splash hours and restore existing art works i.e. “Limitless”. Reestablishing the playground at Tonto North Park is also on their scope among other things. Witty gave an overview of the projects completed and innovations implemented this year. There are no major changes in the divisions except in the aquatics division, Arts & Culture and Parks Maintenance. Capital Improvement Projects include Antelope Park budgeted at \$180,000, Glassford Hill right-of-way access, Mountain Valley Splash and a new mower. Grants for trails and watershed management, Tree City Inventory Training and Tree City USA equipment will be applied for. They anticipate donations from Northcentral University for playgrounds, sculpture maintenance, art acquisitions and movie expansion from the current 4 up to 8 movies in the summer.

g. 7:30 pm-7:45 pm Magistrate Keith Carson, Magistrate Judge

Town Manager Larry Tarkowski filled in for the Judge mentioning the increases in personnel expenses noting that they held the line on operation costs. The budget is increasing from \$524,686 this year up to \$549,404 next year. Photo enforcement is gone giving the judge the opportunity to catch up on a backlog of work that the Arizona Supreme Court audit would like cleared up quickly. This is also the opportunity for the Judge to expedite his entire process.

h. 7:45 pm-8:00 pm Public Works & HURF Norm Davis, Public Works Director

Public Works Director Norm Davis focused on the staff investment made by the Council and noted that succession planning has resulted in them filling vacant positions from within. Public Works will be adding two seasonal labor positions in the new year. They have enhanced training to keep their long tenured people up to speed which is reflected in the level of service and productivity provided to our residents. Davis gave an overview of transportation, storm water management, fleet and facilities highlighting a few of the larger projects. The Enterprise Parkway will provide a new access point for job growth in that area. The design should be done by July with construction under way in the fall. It will most likely be warranted for a traffic signal. Long term, he anticipates completion of the Viewpoint Drive Connector floodplain study from 89A at a cost of \$3.3 million. The Voucher Program will receive another \$50,000 for those having transit needs. The CYMPO Regional Plan update is done every 5 years to determine the future need of roadways based on growth in the area and impacts it would have on the region. The PV Pipeline project multi-use path and storm water project will link Mountain Valley Park to Antelope Park. Sixteen hundred stops signs will be replaced within the next couple of weeks. The other regulatory signs will be replaced later. Both the sign and pipeline projects are partnered with ADOT at a cost of \$2.5 million. The Viewpoint Connector, a FEMA designated floodway, will be studied to see if it can be channelized and get more detailed mapping. CASA Senior Center refrigeration will be upgraded as well as 14 HVAC units at the PD. Count down lights are placed as a regular street light life cycle ends.

g. 7:30 pm-7:45 pm Magistrate Keith Carson, Magistrate Judge

Judge Keith Carson came in at the scheduled agenda time but his budget had already been presented by the Town Manager. Carson said there has not been a significant drop in collections even with the elimination of photo enforcement.

i. 8:00 pm-8:15 pm Management Services Director, Bill Kauppi

MS Director Bill Kauppi stated that Management Services has a 4.3 percent increase in their overall budget. The town average was 5.2 percent. They have a few minor changes in personnel due to outsourcing of the utility bills. In FY 14/15 he is proposing creation of a supervisor position in customer accounts and making one position a cashier only position, not customer accounts too. Outsourcing of billing with CVC is working extremely well for customer accounts. Operational expenses are up 16.2 percent due to a planned update to the Town's website and \$75,000 going for replacement of computers predominantly at the Library and PD. An increase is reflected in the Customer Accounts Professional Services line item and a reduction in Salaries due to the outsourcing of billing. Kauppi thanked his management staff for their assistance in this process. The new electronic payroll system will be rolled out within the next couple of months.

j. 8:15 pm-8:30 pm Town Clerk Diane Russell, Town Clerk

Town Clerk Diane Russell gave a brief rundown of the objectives of the Town Clerk/Risk Management Office for the upcoming fiscal year as follows. The 2014 Safety Conscious Initiative was implemented in January 2014 to bring workplace safety to the minds of our employees in an attempt to decrease injuries (workmen's compensation), property and liability claims. Russell pointed out that, for the first time in a long time, money is available for 36 employees to attend First Aid/CPR training, including the cost of class materials. The majority of the 2 percent budget increase went to that initiative with a slight increase to the Safety Committee budget for Town Department's First Aid Supplies and a newsletter. Russell continued with a few expense saving ideas from her office. With the assistance of a volunteer, permanent records will be audited then shipped down to the State Library for permanent storage thereby freeing up room in the Records Center saving money that would otherwise have to go toward additional shelving. To increase customer service, the Business License Program is scheduled for review and potential updating in the area of fees and technology in FY 15/16. Council member Anderson suggested the use of on-line applications, with renewal and payment capabilities. Council member Marshall questioned whether the HR software could be used in the business license area. Russell said she will be exploring different software applications to fulfill that need.

4. Adjournment

Mayor Skoog adjourned the meeting at 7:23 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Work Study Meeting of the Town Council of the Town of Prescott Valley, held on Wednesday, April 30, 2014.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this May 5, 2014

Diane Russell, Town Clerk

Minutes Attachment: Budget Overview PowerPoint