

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
June 4, 2015**

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 Grossman, Council Member Marshall, Council Member Whiting, Council Member Anderson, Vice Mayor Nye, and Mayor Skoog.

Absent: Council Member Mallory.

3. Presentation: CYMPO Regional Transportation Plan Update, Chris Bridges

Chris Bridges, Administrator of CYMPO, said the 2040 Regional Transportation Plan is updated every five years as required by the legislature. The updates show adjusted traffic projections to more accurately reflect population and employment growth. This allows them to extend the life of the existing roadway network by identifying high impact/low cost improvements and recommend future improvement projects. The plan also identifies funding opportunities. Bridges explained the review process and distributed copies of his PowerPoint presentation which is attached to these minutes.

4. Discussion regarding the NACOG Transit Voucher System

Public Works Director Norm Davis said he appreciates that Council commits to fund this program each year. This is the sixteenth year that the Town has funded the program at a \$50,000 level paid quarterly. LFAF-2 funding disappeared four years ago. Approximately 120 people per month are served with rides at discounted rates. Anyone looking for this type of service can find the information about it located on the Town's and NACOG's website.

NACOG Fiscal Officer Vicki Mastriani responded to Council member Whiting that Kokopelli [taxi service] gets a large share of the ridership because they advertise the NACOG Voucher Program and provide a phone number on their vehicles. NACOG provides voucher recipients with a list of the service providers NACOG is contracted with along with their individual rates and services provided. Ridership for those who need assistance with transportation has increased 16 percent over last year but still less than half of what they need. Riders are stretching the limited voucher funding by comparing rates. NACOG has trimmed back administrative costs so they could put more money into the program too. Mastriani reported that vouchers that are

provided to requestors are being used by them and not being wasted. Numbers of vouchers issued are adjusted as needs change. No action was taken

5. Discussion regarding the Annual Materials Contracts

Public Works Director Norm Davis stated that they received competitive bids for the different annual material contracts. Some contracts have new vendors providing the materials this year. Davis provided detailed information for each contract and noted that the contracts are renewed annually for five years. No action was taken

Town Manager Tarkowski congratulated Davis for his 10 years of service to the Town.

6. Discussion regarding the Annual Service Contracts

Public Works Norm Davis said that these are outsourced vendor contracts that we have longstanding contracts with that are renewable every year. Each contract is rebid every few years to ensure that we are getting a competitive rate for the services provided. The Town has a good working relationship with these folks. All these vendors agreed to no service fee increases again this year without a decrease in service. Davis discussed in detail each of the contracts. No action was taken.

7. Presentation: Public Works 5-Year Operational Projections

Public Works Director Norm Davis' 5-year plan stated that the projected growth rate will require added public infrastructure to the existing Town system for new residents. The increased service demands will required more support services for both internal staffing and outsourced vendor service contracts. The core services provided by Public Works are: Streets, Storm water Management, Infrastructure Development Management, GIS Inventory Data Base Support, Facilities Management, and Fleet Management. HURF funds collected from the gas pump sales are not keeping up with the cost of street maintenance. While industry standards recommend chip seal application every 5 years, the Town is on an 8.5 year cycle. To catch up would require an additional \$1M per year in funding. In addition, pavement life cycles are 20 years and require major maintenance treatments in addition to the chip seal process. Even though the Town's 1/3 cent sales tax generates \$2M a year for this purpose, an additional \$75,000 a year would help keep pavement rehabilitation at a 20-year life cycle for the existing roads. He anticipates growth of an additional 10 miles per year over the next 5 years. Street maintenance is the biggest budget.

Capital roadway needs are identified in the Circulation Impact Fee Fund Forecast Cash Flow report. The anticipated impact fees from new housing and commercial development are \$1.4M annually to be used for roadway capacity improvements.

With population growth, staffing levels will increase by about 5 employees to meet the demand in service. Public works outsources significantly to keep staffing levels low. Additional service levels will be added to the outsourced contracts as needed.

Davis responded to Council member Anderson that if \$2M were added, for example to the Chip Seal program, they could manage that with current staffing as Chip Sealing is an outsourced service. Report attached. No action was taken.

8. Presentation: Library 5-Year Operational Projections

Library Director Stuart Mattson acknowledged Trustee Charlotte Bradford. Mattson said the public internet is heavily used but has frequently been down which has affected service. They are considering moving to Century Link as a provider and get involved with the E-Rate refund program through the Library District. The sorter has broken down creating material availability issues. QCI and GoPrint issues exist which need to be corrected. Casey Van Haren said Envision Ware is a self-serve software that does not require a lot of staff interaction could resolve the issue. Lastly, the computer lab probably needs to be updated as the computers are now 6 years old and are beyond service agreement status. They are going to refit the area west of the bookstore to make a business specific area.

Every year a certain amount of money funded is used in adding to the library collection. During the recession that budget was cut. Since then they have been dependent upon the Yavapai County Library District and one donor to increase the collection. They look again to budget for this purpose.

The staff provides lots of events with limited funding. They want to increase the number of things they can do which will require additional funding. The display case from the second floor, somewhat removed, was moved and made to fit along the mesh wall on the first floor. The black wall panel deterioration needed to be addressed, so the pieces were ordered from and have arrived from Italy. The flooring on the observation deck is peeling and disintegrating and needs to be addressed. One thing he noticed after moving in is that there are no drinking fountains on the second floor. The inside auditorium wall with the black lava rock has become a problem. Other black lava rock in the library has been replaced with flagstone.

Vice Mayor Nye said she appreciates his forward thinking and noted that a lot of people were involved in the planning of the library so he doesn't need to take the blame for missing water fountains. We want this library to remain a jewel of this community. It is progressive thinking and good housekeeping to bring this up. Report attached. No action was taken.

Mattson said they will need to someday extend library hours.

9. Presentation: Human Resources 5-Year Operational Projections

Human Resources Director Karen Smith said they provide recruitment and workforce readiness; performance management and employee relations; organizational training and development; benefits, wellness and leave administration; safety and workers compensation case management; job classification and administration of the Town's compensation plan. Current staffing levels are globally at 237 full-time employees with a potential increase to 305-315 full-time employees in 2020-21. Average staffing costs currently are at \$742,000 and expected to grow to \$1.2M

based on the Town's median salary. If we were to add five police officers each year it would be at a rate of \$75,000 at hire including salary and benefits.

Human Resources staffing levels are expected to be adjusted as service demands increase. In addition, job reclassifications will take place to advance existing employees as a part of succession planning.

Smith said we want to be a preferred employer to attract and retain the high quality individuals we currently have. Elements that aid in that would be restoring the Winter Gala, restore job-related financial assistance for training and development, provide additional funding investing in employee health and wellness and the benefit plan design. Given the 2.6 percent increase in health insurance this year, over the next 5 years it may increase up to \$3.5 - \$4.8 million dollars. Smith said she is considering a self-funded health care management and workers compensation plan just as the Town Clerk is considering a self-funded Risk Management program to better manage the costs and premiums. She would like to consider having all personnel records from hire to separation managed in an electronic format through the Laserfiche Records Management program by 2017-18. Currently job applications, background checks and performance evaluations are electronic and will drop into the records management program. The total HR operations cost is \$289,955.

Additional town-wide staffing costs are expected over the next 5 years are: employee training at \$24,000 annually, benefits/health care at \$3.5 to \$4.8 million by the year 2020 and compensation for 67.55 new positions \$850K up to \$1.2M annually.

Smith responded to Council member Whiting that the tuition reimbursement figure is determined in policy dependent upon the college degree level. Vice Mayor Nye said we are behind the curve on all this. We have had a turnaround in our community. If we don't plan for this, it won't happen. Smith said with an additional resources and a benefits manager, she would also like to do a needs assessment on our benefits plan such as dental, vision and retirement health savings account. We are still short from where we were prior to the recession. We haven't restored that full amount yet.

Smith responded to Council member Grossman that turnover costs us 1.5 times the positions annual salary due to recruitment, training and loss of productivity while they are learning. The median salary for us today is \$50,000 so replacing that same salaried employee would cost us \$75,000. We have been losing about 3-5 employees a month so multiply that by \$75,000. A police officer position is \$75,000 so time and a half that figure for turnover. Anything we can do to combat that will save that cost. Report attached. No action was taken.

10. Presentation: Police 5-Year Operational Projections

Chief Bryan Jarrell said predicting crime is very difficult so they base projections on trends. Part 1 crime has been up 30 percent. Part 2 crime is down overall, but Domestic Violence and Assault is up 26 percent. Prescott Valley leads the county in domestic violence. Daily activity for officers is up 24 percent and calls for service have remained constant. Arrests are up 6 percent compared

to 2010 and up 11 percent this year. Traffic enforcement is up 78 percent with the elimination of photo enforcement although we have seen an 8 percent increase in accidents and fatal injuries.

Part of the projections for the coming 5 years is to increase and build back up traffic enforcement units. He is forecasting another 23 percent increase in calls for service - an increased 15 calls for service a day. The calls they receive are more involved and complex so 15 more calls a day means they will be taking longer. He anticipates a 19 percent increase in Part 1 crime, a 27 percent increase in Part 2 crime and 15 percent increase in accidents. He proposed an increase of staff to total 131 in 2020 of which 104 would be sworn officers. This is a 2 officers per 1,000 residents ratio. Due to Prescott Valley's rapid growth his officers don't have the time to practice community outreach efforts. Community policing models across the country continue to show that those efforts do result in safer communities.

Jarrell stated that a realistic budget would allow him to manage overtime and focus on other areas that need his attention and reduce the high compensatory time balances and leave time balances. Currently there are 76 employees. Forty percent are over the limit in General Leave. Twenty-two percent are over the limit on Compensatory Time and 33 percent will be over the limit within the next month. He realizes there is a need to reduce the overtime work by the department and to manage it better. The actual overtime liability over a 6-year average showed that the department has about \$300,000 in overtime costs. The annual budget is only \$52,000. The realistic manageable amount is somewhere in between those two numbers. Jarrell responded to Council member Anderson that the excess overtime dollars come out of the department's budget. Excess overtime is being addressed with a moratorium on overtime which is going to compensatory time. Excess compensatory time has to be dealt with in an increase in the overtime budget.

Tarkowski commented that they have talked about this and it is a national challenge and management of personnel is always a challenge for the department heads. He complimented Jarrell for his recognition of the fact that a breakeven point is possible with management. By adding new officers, as we just did, we can buy down the comp time rather than increasing the staffing level on shifts. Jarrell said he believes in the implementation of responsible measures to control overtime. As the population and call for services increases staffing may have to be adjusted.

Jarrell and Tarkowski responded to Vice Mayor Nye that increased crime, such as in Baltimore, can impact insurance rates etc. and affect future budgeting. Jarrell stated if they could get out into the community and schools with community policing it has been shown that crime is reduced. The perception of the safety of the community will drive rates. Council member Anderson said he is concerned about future budgets without sounding like he trying to micromanage. He asked if there was a time he, Tarkowski and the Chief could take a look at this and where they stand. He would report back to the Council. Anderson continued that the police department is a large portion of the budget. He wants to see it dealt with correctly.

Tarkowski commented that what they are seeing is a 5-year plan. Today the budget is working. A great Chief and department, which we have, is able to move their budget monies around to meet those contingencies. The department has done a better job this year of managing overtime, comp

time and deployment of resources then they did the previous year because the Chief is “still getting his feet under him in the budgeting process”. Jarrell’s projections will help accommodate a community that will end up being 55,000 people. It will be a good plan in the event we have additional revenues and even think about increasing revenues. He will have not only the best department in Northern Arizona, but might be the best in the state. If we see a downturn in the economy, that will negatively impact the 5-year projections all of the department heads have made. This is a great plan going forward; it’s a much better plan than a few months ago which was bringing on a mass of officers this year. We couldn’t afford it. This is a reasonable plan, if the money is available, similar to the public works streets department. Anderson agreed and said we do need to discuss extra revenue and a source for it.

Jarrell said increased staffing projections of 3 percent a year for the next five years would be about an additional \$3.46M over what they have right now. Between now and 2020, employees would go from the current 96 up to 131 total employees. No action was taken.

11. Presentation: Legal 5-Year Operational Projections

Town Attorney Ivan Legler commented that the Legal Department has a Criminal and Civil Division with a daily grind much like the police department. Bob Todd is one of the best prosecutors there is. He works with the other 3 personnel in the division to get that work done day in and day out. Steven Zraick and Ivan are on the civil side along with their part-time paralegal. They have more flexibility than the criminal side as a lot of the civil cases are contracted out. Sometime within the next five years they will need an additional prosecutor to keep the criminal cases under control.

Legler said they worry about the rising interest in [law enforcement] body-worn video cameras as departments jump on that bandwagon. The purchase of the cameras and software with cloud services is not the only cost. Every department gets involved in this process especially the prosecutor as they have so much more they have to disclose. Many more public record requests result from this technology. Legal gets involved with the Clerk’s office and PD in terms of those public records requests. In civil litigation that becomes part of what has to be disclosed. There is a tremendous amount of data that has to be stored and categorized. Additional time has to be taken if you have to redact certain sections of the video as non disclosable. The software has not caught up yet. It is turning out to be a tremendous cost that people will not anticipate in terms of how to handle all that data that people want to see right away. Legal has not anticipated putting on new staff for that, and frankly expect that staff will end up in the police department or Clerk’s office or someplace else. Whatever happens we will find a way to make it work if we need to. There is so much uncertainty he is not even sure what to suggest yet.

Mayor Skoog said that Ivan’s department has done a super job. Actually every department has really worked at this. He commented that he has seen quite a change since the 1980s when everything was simple. No action was taken

12. Adjournment

Mayor Skoog adjourned the meeting at 7:24 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 Thursday, June 4, 2015.

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

Dated this June 9, 2015

Diane Russell, Town Clerk