

**TOWN OF PRESCOTT VALLEY
SPECIAL WORK STUDY MEETING
MINUTES
May 2, 2012**

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

1. Call to Order

Council member Anderson called the meeting to order at 5:30p.m.

2. Roll Call

Present: Council member Anderson, Council member Nye, Council member Tjiema, Council member Whiting. Mayor Skoog was not present at roll call, but arrived at 6:11p.m.

Absent: Vice Mayor Lasker, Council member Mallory

3. Discussion of proposed FY2012-13 budget - FOR DISCUSSION ONLY

4. 5:35 p.m. - 6:15 p.m. General Overview - Larry Tarkowski, Town Manager, and William Kauppi, Management Services Director

Town Manager Larry Tarkowski welcomed the council and asked them to recall the budget process that began with their retreat in November 2011 that was followed by a public budget open house. The second retreat in January brought the process together. He applauded all department heads for submitting zero increases in expenditures. The new \$67 million budget is about \$300,000 less than the current budget. He is amazed that with increases in gas prices and other commodities that all departments came in so well. The Town Clerk will have an increased budget due to upcoming election costs that the town cannot control. The Police Department is the only department to have a significant increase due to keeping up with public safety concerns. The PD plans to hire up to 5 additional officers. He pointed out that the Legal Department budget has in fact decreased. He gave a general overview of the proposed new budget and pointed out several snapshot examples to show areas where we are seeing increases, stating that Bill will show the details. Larry is very optimistic for the future trends of economic growth and prosperity barring any macro-economic upset on the national or international level. Council member Tjiema asked Tarkowski to comment on the status of monies set aside for Central Arizona Partnership. Larry stated that if in the event that CAP is successful in regional development they would have the capacity to ask for \$1 per capita for funding (which would be \$38,000 to \$39,000 based on the PV census), if the council would elect to participate. Tjiema had another specific question about miscellaneous income that Larry referred to Bill Kauppi.

Management Services Director Bill Kauppi introduced his remarks by thanking the council and Larry for their guidance. He also thanked Lee Allbritton and Jane Fuller for preparing the budget.

book. This is a draft budget. There are two versions of the book; one is very detailed the other is a condensed version. The council has the detailed version. The proposed budget is the lowest since 2003-2004. Bill presented a power point to highlight the major topics and said that each department head will show their own detailed figures. He began by speaking about revenues. Overall our revenues are coming back up. Bill showed a slide for HURF balances. Tarkowski interjected more information about HURF funds going through changes due to the price of fuel, more efficient vehicles and the miles that people drive.

Sales taxes and inter-governmentals make up 48% of revenues. He projects that total revenues will be up 2.5%. The total budget is \$66 million.

Expenditures are going up due to the elimination of furloughs. Operating expenditures are down by over 1 million which is a 2.83% decrease. General fund balances per policy should not go below \$8.1 million.

Council member Whiting asked for clarification of additional personnel of and elimination of furlough. Larry added that the return of the 5 day work week will commence in July. It was driven mainly by the demand for building inspection and permitting and servicing utility customers on Fridays. The hiring freeze is over in that when staff members leave they can be replaced.

5. 6:15 p.m. - 6:30 p.m. Council Larry Tarkowski, Town Manager

Larry presented the Council budget. The new budget is only slightly up from the present budget. The council has kept their expenses to a minimum by not attending additional conferences other than the League of Arizona Cities and Towns.

Larry then addressed the Management budget which includes Water Resources, Capital Projects, Economic Development and Channel 15. All areas of Management have stayed in line with zero increases and have gone down slightly. He highlighted the upcoming Water Resources project and the growth of NAU Yavapai.

No action was taken.

Mayor Skoog arrived at 6:11p.m.

6. 6:30 p.m. - 6:45 p.m. Town Management Non-Departmental Larry Tarkowski, Town Manager

Larry pointed to the big ticket item in Non-Departmental budget as the final payment on the Crossroads project. He noted that Crossroads accounts for over half of this budget. Thanks to Kitchell Development and the Klein family for their partnership in the project that will be bringing more stores to Crossroads.

No action was taken.

8. 7:00 p.m. - 7:15 p.m. Community Development Richard Parker, Community Development Director

Richard Parker stated that Community Development had some staff attrition as he predicted. He is pleased to bring Lyn Newton back as a permit tech (from the Court) and Mike Young (from Public Works) in code enforcement as well as realigning his staff to cover all areas within his department.

He supports the return to the 5 day work week as it aids the building permit and inspection process. They are seeking a large grant to fund an upgrade in permitting with regional planning solutions. They look forward to adopting the 2010 International Building Codes and the *General Plan 2025* in 2013.

Residential housing starts are increasing. There are fewer foreclosures so abatements are lessening. A collection agency has been hired to bring in delinquencies. He predicts revenues will be up and weeds will continue to grow.

Parker responded to a question from Council member Tjiema about electronic permitting saying that it is being looked at for future use specifically by production builders. Council member Nye added how pleased she is to have Lyn returning to Community Development. Council member Whiting asked Richard to clarify the consulting fees budget line and he explained that they have the funds set aside if needed.

No action was taken.

7. 6:45 p.m. - 7:00 p.m. Magistrate Keith Carson, Magistrate Judge

Judge Carson commented that he submitted the same operating expenses as last year. Council member Nye and Mayor Skoog thanked him for the good job he does with this department. No action was taken.

10. 7:30 p.m. - 7:45 p.m. Police Bill Fessler, Police Chief

Chief Fessler began by explaining his three agency goals with his budget. First to provide the best equipment and practices to keep police officers and community members safe. Second to continue standard and professional law enforcement to our citizens. Third to provide an effective budget to identify the essentials needs of the two divisions in the department. Fessler highlighted the added funds budgeted for 5 additional officers and 2-3 vehicles. He lost 6 officers in 2012 through attrition. Fuel and fleet expenses account for 10% of the increases. The department relies heavily on grant funds and their matching portion is 15%. A savings will be seen with the opening of jail services in Prescott rather than traveling to Camp Verde. The PD is in compliance with all federal regulations.

Council member Tjiema commended Fessler for his first full year as chief and the excellent job he and his staff does. Fessler responded to Council member Whiting questions about NARTA, DARE and crime prevention.

No action was taken.

9. 7:15 p.m. - 7:30 p.m. Parks & Recreation Brian Witty, Parks & Recreation Director

Brian Witty highlighted some of his programs that are returning this year including Movies Under the Star. Fain Lake dredging was a major successful project. Arts & Culture has rotated art with Phippen Museum and is adding art at the civic center. His department has survived with a well cross trained staff to cover all the vacancies, vacations and furlough times. The plans for

the coming year are to keep current programs and to keep all the equipment running and maintained. There will be new ice skates ordered for the skating programs at the arena. Strategies are in place to work with rising costs in fuel, energy and cleaning supplies. The 4th of July Fireworks will be a nice display this year.

Council member Tjiema questioned the expenses for moving to new buildings. Brian said most were already expensed in the current budget. Council member Nye complimented Brian and his staff for their “can do” attitude. Council member Whiting noted that he is amazed how many volunteers help with P&R’s success.

Brian added that the one upcoming capital project will be for Pronghorn Park.

No action was taken.

11. 7:45 p.m. - 8:00 p.m. Reclaimed Water, Water Resource/Recharge Neil Wadsworth, Utilities Director, and John Munderloh, Water Resources Mgr

Neil Wadsworth stated that Reclaimed Water does not have a large budget and the only change from last year is a 2% increase in electricity.

John Munderloh talked about the North Plains Recharge project going forward. It will be about \$2.3 million project and the permits are getting started. The Upper Verde Protection Coalition is continuing to hope for grant monies with applications that have been sent out.

No Action was taken.

12. 8:00 p.m. - 8:45 p.m. Utilities - Prescott Valley Water/Wastewater System Neil Wadsworth, Utilities Director

Neil Wadsworth began with the Wastewater line item increases for bio-solids. He noted that it continues to be cheaper to haul to Phoenix rather than Grey Wolf even with increased fuel costs. There is a need to do a thorough cleaning this year and to purchase a new combination truck to replace the current one that is 10 years old. Several permits need to be renewed as well with the state.

Council member Nye asked Neil to explain “rehabilitation” which basically is replacing parts that wear out.

Neil then spoke about the Water budget stating that it is mostly the same. He looks forward to bringing the solar project online to see how much it will save. Eventually they will be able to project those savings into the budget. A big expense in the new budget is for the purchase of additional radio read meters. The meters have many advantages including less staff to read the meters and more accuracy in reporting.

Council member Whiting asked about the number of meters. Neil stated that about 7,000 old meters still need replacing in the older parts of town. New subdivisions already have new meters.

No action was taken.

13. 8:45 p.m. - 9:00 p.m. Legal Ivan Legler, Town Attorney

Larry Tarkowski addressed the council on behalf of the legal department. He highlighted the fact that this is the first year in about 10 years that the legal budget will see a decrease. Litigation expenses have decreased significantly.

No action was taken.

14. Adjournment

Mayor Skoog adjourned the meeting at 7:38p.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, June Catanzarite, Deputy 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, May 2, 2012.

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

Dated this 16th day of May, 2012

June Catanzarite, Deputy Town Clerk