

**CITY OF WILCOX
MAYOR AND CITY COUNCIL MEETING**

• ****WORK SESSION AGENDA**** •

• **Statement of Legal Actions**

Monday, June 1, 2009

NOTE TIME: 5:00 p.m.

City Council Chambers

300 W. Rex Allen Drive

Willcox, AZ

(Mayor or Designee will read only **BOLD** print of each agenda item,
except for Public Hearings, Petitions and Communications.)

1. **CALL TO ORDER**-Mayor Gerald W. Lindsey called the work session to order on Monday, June 1, 2009 at 5:00 p.m.
2. **ROLL CALL** –Mayor Lindsey announced all council persons are present.

PRESENT

Mayor Gerald W. Lindsey
Vice Mayor Larry Schultz
Councilman Elwood A. Johnson
Councilman Jimmy Norris
Councilwoman Monika Cronberg
Councilman Stephen Klump
Councilman Christopher Donahue

STAFF

City Manager Pat McCourt
City Attorney Hector M. Figueroa
City Clerk Cristina G. Whelan, CMC
Public Safety Director Jake Weaver
Library Director Tom Miner
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner

3. **PLEDGE OF ALLEGIANCE TO THE FLAG**-Mayor Lindsey.
4. **CALL TO THE PUBLIC**-There was no response from the public present.

DECLARATION ON CONFLICT OF INTEREST-There was no response from the council members or staff.

4. **ADOPTION OF THE AGENDA**-It was moved and seconded to adopt the agenda as presented. **CARRIED.**
7. **DISCUSSION REGARDING REVIEW OF FINANCIAL REPORT BY FINANCE DIRECTOR RUTH GRAHAM**
City Manager McCourt stated this report is not ready to be presented to the Mayor and Council for discussion. It will be on the agenda for June 15, 2009 meeting.
8. **DISCUSSION AND/OR DIRECTION TO STAFF REGARDING THE BUDGET FOR FY 2009-2010**
City Manager McCourt explained Ms. Graham, Finance Director, did the work and he is here to do the presentation. At the last meeting a couple of questions were asked of staff and following is the response. At this time one (1) full time position in the Streets Department is vacant. Our plan is to continue keeping it vacant. The cost if that position were filled is about \$30,000/year. The Street Department is in deficit and staff plans to eliminate expenses with the payoff of Bond and then 6-months into following year the payoff of the Chip Spreader. Plan at that time is to have that fund in balance and recovery in revenue sources. In Economic Development \$20,000 was added as directed. A question was made regarding the Public Safety purchase of 2-vehicles. Mr. McCourt stated staff can pull it off from the budget if Mayor and Council desire to do so or question he thinks is should we allow it to happen. Chief Weaver reported this vehicle is a 1998 Mercury Sedan. It is not a police package and has well over 100,000 miles. The vehicle was purchased in 2004 from a local vendor. The Chief is asking for approval from the Mayor and Council to purchase a new pick up truck for Investigations. A pick up truck is needed to carry larger bulk items and this Officer is certified in Meth labs and he has to meet OSHA requirements too. The

Investigator has had limited bed space in the Sedan and that has limited our ability to go off road and out into the desert to retrieve items and haul them in. The other vehicle in Patrol is a 2003 Dodge Intrepid and it is up for replacement. In the past the Department purchased 4-patrol cars and the Mayor and Council at that time asked him to keep them in schedule so that we did not purchase vehicles all at once. Dodge motors tend to blow up and both vehicles are under warranty and they need to be replaced before falling apart. The City Manager asked the Council members if they do not want us to purchase this vehicle that is your policy, although the department needs the vehicles to do their work. Many times maintenance for these vehicles is disguised because maintenance is under another budget line. Mr. McCourt recommends continuing the replacement program of vehicles. Councilman Norris stated he is opposed to the purchase and thinks when we can afford it then do it. Saying that staff wants the Mayor and Council to approve the \$742,000 deficit and in good conscience does not know how he can ask the citizens to pay for that. The Police Department has the highest budget and if we keep doing what we are doing we are going to be in trouble. Mr. McCourt explained the deficit projected will be less than anticipated and believes with staff continued support we won't have that deficit next year. Staff thinks we can bring plan to minimize adverse impact on the community. Mayor Lindsey understands Councilman Norris's concerns which some are the same for him. As a Council they need to decide which way is the best way to go for the City and its citizens and appreciates Chief Weaver's standpoint that the Dodges are in their last leg.

Items discussed were:

- Border Patrol new facility is not contributing more to water or sewer.
- Concern Sales Tax Report-State is slow in disbursing of moneys, State is in severe financial distress and sharing their burden with local entities.
- If Federal steps in to help the State or bankrupt what happens to the City's. One option is the City would be dissolved.
- State proposing to "borrow" Revenue Share Funds with promise to pay at some future date, which is better than just taking it all.
- Governor talking about raising the State Sales Tax and not sharing with local entities.
- Staff will continue to look at ways to reduce our expenditures.
- If current projections are correct we will almost break even with revenue shortfalls. That is from the magnitude amount that our staff has cut back.
- In Arizona have to budget big to take care of unexpected items when they do occur. It is a credit to staff who continue to use what is absolutely necessary and not spending just because it was budgeted.
- Report on the 2nd meeting in July will be presented on what actually happened in FY 09.
- State collects our Sales Tax and asked if there is a way for City to collect our own taxes. Staff replied in the affirmative, although not economical for our size and staff does not recommend that.
- Reports from State regarding whose paying or not paying State Sales Tax is covered with confidentiality laws and we can not say. Maybe retailers are holding back and not paying the State to keep cash flow and pay the penalty later. It could also be a combination of factors.
- Adjustments can still be made to particular areas of the budget and now is the time to discuss those. As far as staff knows everything asked for us to implement we have done. Goals have been set, we provide services with limited disruptions to the public, and we need to find ways to reduce expenditures and changes to service levels to the public.

Mayor Lindsey stated now is the time to look at any additional direction from Mayor and Council to give to City Manager and staff.

Councilman Norris would like for staff go back and review their budgets and if they had to cut something what would it be.

Vice Mayor Schultz stated assuming \$742,000 is accurate deficit figure and as he understands the City Manager to say it is significantly less than that. City Manager responded he hopes to bring the budget in at a significantly lower amount. Past history has shown staff has consistency expended low. This year \$600,000 less in the General Fund and it is significant reduction. Credit belongs to staff they have been here and watching it from day one.

Mayor Lindsey thinks from the first set of documents presented on the expenditures through May's year-to-date it didn't look like that much reduction. City Manager explained that is why he needs more time to present those figures to Mayor and Council and the public. Report will be presented at the June 15th meeting.

Councilman Norris said to Public Services & Works Director Bonner that personally he thinks it is the Mayor and Council's fault for the condition of our streets because they did not give him any money to work with. The Councilman asked Mr. Bonner if there is no money can his staff do other things other than Street projects. Mr. Bonner responded there are always maintenance to be done and lots of times working on maintenance in alleys and blades and it is a time consuming effort. Supervisors are looking at other ways to get money, such as Federal Agencies, daily traffic counts to get roads designated as rural collectors and eligible for Federal Funding. Supervisors are also looking for other funding ways to do the next job. There is not a lack of work. Mr. Bonner would like to repair some more streets but cost is significant.

Councilman Johnson asked about the Warehouse position and the part time Administrative Assistant. Mr. Bonner replied he has refilled the part-time Administrative Assistant about a month ago. Councilman asked if considered moving Development Services back to City Hall and if that would save us money. City Manager thinks that does not save us significantly because we will be providing space for SEACAP in Suite A and upstairs apartment. Staff wants to move them from the Community Center building. City would continue to take care of utility costs and restrooms. The Councilman asked for the number of employees in Development Services because report states 2.5 and should be three (3).

City Attorney Figueroa and City Manager have discussed if City has to take back Magistrate Court where will they be moved to. Suggestion was made to move them to the Community Center. Councilman Johnson also asked if increased budget for litigations and City Manager explained it is included under Administration line item. The Councilman asked if there is nothing budgeted for the new Fire Station and City Manager replied that was correct.

Councilwoman Cronberg question in Parks regarding General Maintenance in particular recreation for Keiller Park. Asked if replacing or if something built what we are doing to ward off problems. Mr. Bonner replied for basic cost can bring a little bit at a time. The Councilwoman stated she does not see where in the budget we have monies other than Miscellaneous for \$1500. Mr. Bonner explained we have other main issues covered under General Maintenance costs. City Manager McCourt explained that is why we need significant number of staff in this department because just checking equipment takes a lot of time.

Councilman Johnson's concern is Utilities for Parks & Recreation and asked for cost of the Keiller Park lights and at Railroad Park. Mr. Bonner stated any electrical cost is exterior and included in the budget. The amount budgeted is for any lights including the golf course but not street lights. Councilman asked any reimbursement from users and Mr. Bonner replied only for lights at Baseball Fields. Mr. McCourt added the cost is only energy costs not meter costs. That issue goes back to level of services to general public instead of select group, i.e. Gonzales Park no charge and Quail Park charge for lights for night games. The Tennis Court agreement with the School stated the City will take care of the energy costs and if we wanted to charge the users we would need to get the schools approval because the Courts are on school property. Councilman asked if that figure has been included and Mr. Bonner explained the Tennis Courts will be on timer like the Basketball Court and only for 1-hour at a time. City Manager said staff is willing to discuss this with the school and if amiable to modify the agreement.

Mayor Lindsey asked if the SRO (School Resource Officer) is the same agreement as last year. City Manager replied it is the same agreement with different funding. Last year the City received a one time donation from WASA. We also contracted with the school to pay a portion of her salary. The Officer is not at the School for the full year then she is used for other purposes in the Department. The City covers the salary in our budget and last year WASA provided \$17,000 and make up the difference from General Fund. Councilman Norris asked if we are required by law to furnish SRO and staff replied we are not. Councilwoman Cronberg as a teacher at the school she thinks the SRO is valuable to the school with its discipline problems which have gone down. The SRO is a benefit to the School and Community and is truly worth keeping. Stating that the School has upped their line item for the SRO Councilman Norris asked the Chief if he has been notified of that. Chief Weaver explained we are paying \$33,000 for salary for that position and Ms. Graham stated we are maintaining in the budget the same amount as last year from the School.

Mayor Lindsey's concern is we had \$200,000 set aside for Senior Center and now it has zero. City Manager explained that the grant money we were anticipating did not arrive. Staff did budget for a grant and match share for \$95,000 and the Mayor said plus matching for total of \$118,000 .00.

Councilman Johnson said approve Travel & Training only if it is mandatory or if it is absolutely needed for certification. City Manager explained some of the Travel & Training is mandatory for certification and some is not mandatory but advisory such as meetings with ADEQ on our sewer plant. The Councilman asked if Travel & Training is scrutinized and Mr. McCourt stated those line items have been generally under-expended.

Mayor Lindsey stated that scrutiny is also needed in other areas too such as fuel costs. Noticed on fuel statement that when fuel purchased at Doc's the mileage figures one particular vehicle has gone only .9 tenths of a mile per gallon. The Mayor thinks that is a tool we can use and there may be a problem with reporting the actual mileage. Also noticed that the same vehicle fueled up 2-days later and it was quite a bit of fuel. Mr. McCourt stated sometimes it is a clerical error and he too agreed that is a tool to detect fuel losses. Staff will follow up on that.

Councilwoman Cronberg stated they need to make a decision to bring the budget back and say 'yes or no.' Mr. McCourt will present the final budget to the Mayor and Council on the 15th for decision. Or he asked if the Mayor and Council wish to continue discussions before the regular City Council meeting. Mayor Lindsey requested item be considered during the regular meeting. Update on staff information regarding a public hearing on the Tax Levy: the State has changed their mind and we have to go to a public hearing. The understanding from Mayor and Council was they did not wish staff to do the Tax Levy if we have to go through a public hearing. The Tax Levy did reduce income to General Fund. The City is allowed to increase the Tax Levy amount without a public hearing, although it is a very small amount

9. ADJOURN-6:06 p.m.

NOTE: People with disabilities may request reasonable accommodations. Requests must be made 48 hours prior to the meeting by contacting City Hall at 384-4271, ext. 4204, during regular business hours 8:00 a.m. to 4:30 p.m., Monday through Friday.