

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
May 21, 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 Whiting, Council Member Grossman, Council Member Anderson, Council Member Mallory, Council Member Marshall, and Mayor Skoog.

Absent: Vice Mayor Nye.

4. Presentation: Parks and Recreation 5-year Operational Projections

Parks & Recreation Director Brian Witty clarified that he asked to be placed first on the agenda this evening as he has a conflicting business commitment. Witty said this report addresses 5-year budget assumptions for the Parks and Recreation Department Operational budget, not including personnel or capital planning. Assumptions are based on the General Plan 2025 beginning with a population of 45,500 in FY16/17 and end in FY20/21 with a population approaching 52,000. Witty commented that an increase in population will have an effect on the quantity and quality of leisure activities and programs, along with the delivery of necessary park services. Personnel increases needed to provide those services include 1 full-time Recreation Supervisor, 2 Recreation Coordinators bringing the total to 5 FTE, 2 Recreation Leaders and 3 Park Maintenance Workers bringing the total to eight (8) FTE. Additional seasonal employees needed include 3 Parks Laborers for (6mos for 40hr); Aquatics (2 @ 6mos for 40hrs); and Special Events/Recreation Leaders – Level I (6 @ 9mos for 28hrs / 2.96).

As the population grows, support operations will also increase as service demands increase. Supply, equipment, education, professional services, chemical and maintenance needs will also increase. Detailed information was presented for each division under Parks and Recreation's purview including: administration, community, adaptive recreation services, aquatics, community education, ice, arts and culture, athletics and special events. Parks division will show the sharpest incline with 70 acres scheduled for park development. The completion of Bob Edwards Park is expected in 2016-2017. In FY 2017-2018 and 2018-2019 an additional 20 acres will be developed either in Viewpoint or Pronghorn. Then in FY 2019-2020 an additional 10 acres will be developed and eventually an additional 40 acres will be developed in Stoneridge. The FY 2015-2016 budget is projected to be \$788,000 and forecasted to go up to \$1.4M in FY 2020-2021 not including capital improvements.

Witty responded to Council member Anderson that the swimming pool will probably need servicing again in FY 2020-2021. When last done it cost around \$60,000 - \$65,000. Witty responded to Council member Mallory that a pool typically serves 10 -15 percent of the population range. We are currently serving 1 percent with the facility we have. We will need to look at that as we move forward. The facility is aging and we need to take into consideration how and where we want to grow as it may relate to Aqua Fria Park.

Town Manager Larry Tarkowski said Aqua Fria Park will include an indoor and outdoor pool. We have seen an abatement on the demand for pools as it relates to our total population given that the master planned communities have their own pools which serve the community. Witty guesstimated that combining those facilities with Mountain Valley Splash that about 3 percent of the population is being served. Witty responded to Council member Whiting that in fiscal year 2020-21 a 40-acre park is still planned for in the same location in Stoneridge. Witty responded to Mayor Skoog that work on Bob Edwards Park will begin in FY 2015-2016 and be finalized in FY 2016-2017.

No action was taken.

3. Presentation: Management Services 5-year Operational Projections

Management Services Director Bill Kauppi focused on policy that we currently have in place and made recommendations that he feels would provide some financial stability for the Town. He would like to restore our financial policy directive of transferring construction fund money to a capital growth fund which has not been done since 2007 so that we don't use one-time revenues to pay for operational expenses. Establishing a replacement fund policy for vehicle purchases and computer equipment is also recommended. Seventy-five percent of the library debt service is supposed to come from Cultural Impact Fees with the rest coming from the General Fund. Currently, the General Fund is transferring money to cover the insufficiency of Cultural Impact Fees with the intent of reimbursing the General Fund within ten years. As a result the fund balance is growing but the cash reserves are diminishing. He would like the Town to retain some of that money in the General Fund by some means i.e. less expenditures and a larger surplus in the General Fund. He would also like to see the Town contribute [funds] to the Parkway CFD to reduce the tax rate until the growth picks up. In two weeks we will be setting the tax rates for the CFDs and the Parkway CFD tax rate is large.

Kauppi continued that he would like to fill the Finance Budget Analyst position as well as make the part-time mail room position full-time. IT would like to look at a virtual management server (VM) for expansion purposes, Kauppi added - possibly 10 years out. Kauppi explained that you only pay for what you need on VM. IT would also like to see a single security system for all town buildings. Other areas include replacing the Com Dev Accela system (\$75,000) via a grant. The IT requests for the Police Department includes 50 police mobile command units at \$9,000 each, which is a huge expense. Body worn camera record storage will add to that expense. A programmer is needed in the GIS area to back up the existing person. The upgrade to an on-line payment system will cost about \$20,000. Another person is going to be needed in accounts billing if the population grows to 60,000 which would be approximately 30,000 town customers. We currently have one person who handles 19,000 bills. The current accounting system was purchased in 2002 and either needs to be upgraded or replaced at some point. An upgrade for the

same system would be about \$100,000. A new system would be approximately \$1M. Even though many employees would rather go to a different system, he recommends upgrading the existing system.

Kauppi responded to Council member Mallory that the new system is a lot more user friendly than we currently have to go online to pay utility bills.

No action was taken.

5. Presentation: Utilities 5-year Operational Projections

Utilities Director Neil Wadsworth said his projections are based on a 3.8 percent population growth rate increase per year. Population increases may also affect the need to implement additional programs or services not currently being provided. These are, in some cases, more difficult to project unless there are specific regulations or requirements that must be met. The following personnel needs are anticipated: a Construction Inspector; a Backflow Prevention Specialist; a Fats, Oil and Grease (FOG) Program Coordinator; a GIS Technician and a Construction Inspector. He expects to see a 3 percent increase in power costs and bio solid per year. A regulatory requirement mandates a Backflow Specialist when a community reaches a population level of 50,000. ADEQ requires that we need to have a pretreatment program which would require the FOG coordinator. A GIS Technician focusing on underground utilities is a need by both water and wastewater. We have a need for another Construction Inspector to oversee the new growth in subdivisions and capital projects. The OMI contract has a 3 percent increase and includes additional town personnel (GIS). Water and wastewater will be splitting the cost of the Construction Inspector. The total water operating budget goes up from \$4.7M to \$4.8M which is approximately a 4.5 percent increase per year. The wastewater side will mimic the water increases. The wastewater budget will increase from \$2.6M to \$3.4M over the 5-year period. Reclaimed water has similar cost increases for power and the OMI contract with a budget beginning at \$250,000 and going up to \$313,000. The recharge budget will increase in FY 2018-2019 with the addition of a .25 FTE for OMI pending a potential recharge facility expansion. Wadsworth responded to Council member Whiting that a Backflow Specialist is someone who inspects the backflow preventers on commercial properties attached to the water system. Wadsworth confirmed for Council member Whiting that the mandate for Stoneridge effluent water for the golf course will continue rather than the Town having to supply them with potable water.

No action was taken.

6. Adjournment

Mayor Skoog adjourned the work study session at 6:15 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, May 21, 2015.

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

Dated this May 26, 2015

Diane Russell, Town Clerk