

Sierra Vista City Council
Work Session Minutes
June 7, 2016

1. Call to order – 4:30 p.m. in the City Hall, Council Chambers, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Roll Call

Mayor Rick Mueller – present
Mayor Pro Tem Bob Blanchard – present
Council Member Alesia Ash – present
Council Member Gwen Calhoun – present
Council Member Rachel Gray – present
Council Member Hank Huisking – present
Council Member Craig Mount – present

Others Present:

Chuck Potucek, City Manager
Mary Jacobs, Assistant City Manager
Adam Thrasher, Police Chief
Ron York, Fire Chief
Sharon Flissar, Public Works Director
Victoria Yarbrough, Library and Leisure Services Director
Mat McLachlan, Community Development Director
Jill Adams, City Clerk
David Felix, Finance Manager
Linda Jones, Budget Officer
Simone McFarland, Economic Development Manager
Laura Wilson, Procurement Manager
Abe Rubio, IT Manager
Lee Elaban, Leisure Services Supt.
Emily Scherrer, Library Administrator

2. Discussion regarding FY 2016-2017 Budget (to include an [Employee Health Care Benefit Update](#))

Mr. Potucek stated that this is the first budget work session for fiscal year 2016-2017 and thanked his budget team, staff and all of the departments for their participation in preparing the budget. The items discussed include the revenue, personnel, healthcare, debt, capital, operations and maintenance.

A slide of the budget by major fund was displayed depicting the budget total shy of \$70 Million whereas last year the City had a budget of \$70.5 Million. The General Fund has the greatest change, an increase of \$2 Million with the rest of the funds being relatively minor increases. Mr. Potucek stated that the budget is balanced with no tax increases proposed in sales tax, property tax or sewer and refuse rates; but there is an increase in ambulance rates. The budget is much the same as last year and the revenues are the same as last fiscal year. The greatest expense increases are in the personnel budget and the greatest decreases to offset those are coming out of operations and maintenance funds. Essentially it is a similar budget to last year's budget.

The budget by expenditure type was presented, totaling \$69,970,613:

- Personnel costs are 40 to 45 percent of the overall budget, over \$31,300,000;
- Operations and Maintenance, \$22,000,000;
- Capital expenditures, \$11.6 Million; and
- Debt Service, \$5 Million.

Council Member Calhoun asked about debt in relation to the budget and how it is measured. Mr. Potucek stated that the City is amongst the lowest in the state; but the best way to measure it is through the bond ratings. He also reported that despite difficulty with the local economy, the bond rating has stayed stable. The City recently went through a bond rating through Fitch, one of the three major bond rating agencies, and they reaffirmed the City's AA-bond rating. They look closely at debt amounts to see if they are climbing, retiring them and to see if the City has adequate revenue to support those.

Mayor Mueller asked if it is at seven percent of the total budget and how much debt can the City go into under Arizona law. Mr. Potucek explained that it occurs by the type of bond. The City does not have general obligation bonds and those can only be six percent. Revenue bonds are 20 percent and the City does not have those types of bonds either. The City has municipal property corporation bonds. The City has to do for the bond holders to ensure that there is adequate protection that they are going to be repaid, is to have adequate coverage of pledged mostly sales tax receipts to cover those bonds. The City has policies in place that double the amount that they are looking for in coverage.

Mayor Mueller asked about the specific ratio. Mr. Potucek stated that he believes that the City is doing six to one. Mr. Felix stated that legal is three times; but policy is six times of pledged revenues.

Mayor Mueller noted that the City is well under the requirement.

Council Member Calhoun asked about the term debt service. Mr. Potucek explained that debt service is like a mortgage or any other type of loan and provided an example.

Mr. Potucek provided a slide of the City's revenue sources in the budget and stated that the greatest portion of revenue continues to be City sales tax at over a quarter of the budget. State shared revenues make up just over 20 percent and falls off to health and accident revenues, which come out of City employee's pay checks, refuse and sewer revenues in the five and six percent range. The City has had some substantial donations or monies coming from private entities, i.e., the Buffett Foundation at four percent. Carryover is money that was budgeted last year that is over eight percent that was not spent on various projects, i.e., Coronado and Garden Avenue that are still included in this particular budget.

Council Member Gray asked why the notes payable are up by 44 percent. Mr. Potucek stated that the City has been trying not to finance capital equipment over the last few years to try and keep debt service low and decrease the amount of debt service paid every year. This year, the City is looking at financing a fire truck at about \$1,000,000 and taking out a loan. The practice is to put 10 percent down and so it will be a \$900,000 loan.

Discussion has taken place about State shared revenue during the course of the year and it is dependent on population relative to the other cities in the State of Arizona. The City took a hit due to mid decade census and the cities in the Valley that have started growing again are getting a larger piece of the pie than Sierra Vista. The City has actually lost population and because of that the City saw no growth at all in State shared revenue this fiscal year. Staff

planned ahead for that and the City should see that go up next fiscal year. State shared revenue has become smaller in the City's overall revenue picture and that trend has been going on for awhile, which makes the City more reliant on local tax revenues to balance the budget.

Council Member Calhoun asked about miscellaneous income and insurance. Mr. Felix explained that it is basically everything else that comes in that does not fit any of the other categories. It can be the sale of nonfixed assets, check delinquency fees, other late fees, fine revenue because that was not broken out, refunds for prior years that don't go into the account and it is for all funds as well.

Council Member Mount stated that it is a \$2 Million increase for revenue and asked what the big difference is that is being attributed. Mr. Felix stated that there is a small difference because something may have been put in another category last year and it got moved around.

Council Member Calhoun asked about dispatch and what the City is being paid for. Mr. Felix stated that dispatch would be in intergovernmental revenues or under police and fire public safety fees.

Council Member Gray asked about auctions. Mr. Felix stated that it depends on which auction. If it is a fixed asset, those are broken down; but if it is nonfixed asset, then it would go into miscellaneous revenue.

Council Member Mount asked if the revenue summary on the screen is different than what was provided earlier in the week to Council. Council Member Calhoun stated that it is. Mr. Potucek added that the slide was updated in the morning.

In response to Council Member Huisking, Mr. Potucek stated that the revenue summary is on page nine of the budget book.

Personnel are the largest portion of expenditures in the budget and some of the items that impacted those numbers more than the others are:

- Maintaining the class/comp plan that Council implemented last fiscal year;

The cost of that two percent across the board salary increase is \$433,189 across all funds and that constitutes a good portion of the increase.

- Reinstate the two fire fighter positions that were left out of last year's budget and that cost is estimated at under \$128,000;
- Reinstatement of the old contracts administrator position estimated at over \$82,000;

Mr. Potucek stated that the position is important because the Procurement Division only has three persons and there have been some opportunities to work with entities, i.e., Cochise College in terms of doing cooperative purchasing and it is believed that there is opportunity for the City to make revenue as a result of doing cooperative purchasing with other entities and the position can more than pay for itself.

Council Member Gray asked if a dispatch position was being added due to the regional communications center. Mr. Potucek stated that under the old salary schedule that had the positions there used to be a communications supervisor and separate records supervisor for police records division and admin. The two positions were put together and the position was always alive; it was just not funded. With the advent of the regional communications center,

that position will no longer be able to be at two places at once and the communications person needs to be able to go with the communications center and therefore the City needs to reinstate the records supervisor position as a result, which should help in terms keeping up with the records requirement that the Police Department may have.

Council Member Gray asked about the budget impact. Mr. Potucek stated that about \$60,000 and it is in the budget.

- New position proposed by Fire Chief York is to have a peak hours EMS crew at \$113,000.

Mr. Potucek stated that ambulance revenues are actually very fertile ground for the City and there is a possibility of making about \$300,000 to \$400,000 to the good in the General Fund as a result of implementing the program.

Council Member Gray asked about the number of persons on the crew. Mr. Potucek stated that it is two.

Council Member Mount asked if there is a threat to the City regarding privatized ambulances. Mr. Potucek stated that in past years, many cities in Arizona decided to go with privatized ambulance services and in that process they gave up their certificate of need and necessity to that privatized organization. Sierra Vista never did that and a lot of cities wished that they had not because they have foregone all of their ambulance revenue as a result of privatizing. By keeping it in-house, the City is able to retain all of the ambulance revenue, which is shy of \$2 Million and it is a very significant revenue source.

Mr. Potucek added that he has heard that some of the larger companies attempting to try and demonstrate that cities should not be able to keep their certificates of need and necessity in certain areas because they are not meeting certain response times and etc. Sierra Vista does not have that issue; but staff is very cognizant of that going on in different areas of the State; but so far the City is not impacted.

Personnel numbers by department were reviewed:

- Adding two positions in Administration, one is the contracts administrator;
- Police has four positions added, mostly the dispatch area and one animal control officer;
- Public Works is going down two positions;
- Fire will have two positions being added back in to the department;
- Leisure and Library from 23 employees to 27 attributed to the consolidation of part time personnel into full time;
- Community Development will remain the same.

Mr. Potucek stated that it is about nine full time positions over last year and it is reversing the trend in terms of employee numbers going down; but trying to add in areas where money can be saved or make the City money in the process and it includes dispatch because it is the hope to charge for services once the regional center goes in.

Changes in personnel cost by fund:

- General Fund up \$774,000 primarily due to the raise; but also costs associated with the public safety retirement system; and
- Other funds have very little to negative impact in terms of increase personnel costs. It is the General Fund that is taking the brunt of the increase in personnel costs this year.

PSPRS and ASRS rates were displayed where the Police contribution is going from 43.19 percent to 46.58 percent, a fairly significant increase. The Fire contribution is actually going down from 38.02 percent to 37.44 percent. A remarkable change from what has been experienced over the last few years where the City has been seeing \$400,000 to \$500,000 annual increases in public safety retirement contributions that the City has to make.

Council Member Calhoun asked what attributes to the decrease. Mr. Potucek stated that more likely improved performance in their investment funds. He added that he would not call it stabilized yet because the increase itself to the City is over \$100,000 and when the increase is factored in salary, the City is still looking at about \$300,000 more in public safety retirement system cost this fiscal year. It is certainly less than what has been experienced and as the economy and investment returns get better, the City will start to see that stabilize. The fix that was voted on by the voters will not really impact what is seen and maybe long into the future and it was a good step in the right direction.

The ASRS has always performed better than the PSRS and there is no change in terms of the contribution rate. The impact to the City was more as a result of the raises.

Health insurance shows an 8 percent premium increase and for the employees it is \$154,000. As a result of that also seen is an increase to the employees in terms of spousal and dependent care coverage along with co pay increases.

Ms. Jacobs provided an abbreviated version of the health benefit changes presentation that was made to the employees and retirees. The reason why the changes are being made is because this is a self insured plan, which means that the City does not purchase a policy from provider and pay that policy. The City hires a consultant, who helps design the plan, retain a benefit administrator, Ameriben, that process all of the claims, and a prescription provider as well. These are all part of the cost as it would be for an insurance company.

Ms. Jacobs presented a chart displaying the medical claims and prescription claims in the City. Last year staff knew that the claims were going up; but it was thought that perhaps it was an anomaly and so it was opted to wait one more year to see if in fact it was a trend. What was found was that medical claims being submitted are generally more expensive and that is a factor of the increase in cost in healthcare and staff does not see that changing. The average increase on part of the national level is 8 percent and the City's is about double that and so something needs to be done.

Prescription claims are also going up. The lines on the chart represent the actuary's response at a minimum recommended and maximum funding level. Mr. Potucek added that the City looks at catastrophic events that are causing the trends to go up and at the various demographic groups causing the shift. All of that is taken into account and the response was that it is general health care costs from doctors, hospitals, insurance and etc. that are being passed down to the plan. It is a national trend and because Sierra Vista is a rural area and its pool of employees participating in the plan is small as compared to large networks the City is seeing these increases that are double what the national averages are.

Ms. Jacobs displayed the 2016-2017 plan changes and stated that there is an increase in prescription co-pays. Most went up by \$5, \$10 in some cases and \$15 for a 90-day supply. It is variable based upon generic versus a formulary.

Added to the plan was the wellness benefit as an employee now does not have to worry about the first \$750 worth of wellness services and the City wants for its employees to take advantage of those services. Increased was the emergency room co pay from \$50, which is extremely low; but unfortunately because of the Affordable Care Act, the maximum that it can be increased to is \$15 and it is the same with the outpatient deductible. The plan pays 90/10 for those providers that are in the Blue Cross Blue Shield Network.

Council Member Mount asked if staff figured out the difference to offset the increases to the employees because of the Affordable Health Care Act so that they don't have to pay the increase. He also added that he would like to know what the burden would be to the City. Ms. Jacobs stated that she would have to provide those figures.

Council Member Mount noted that a lot of work has been done to get the two percent increase and this negates that with the increases due to things that are outside of the City's control. Mr. Potucek stated that staff can get those figures for Council as to what the City subsidizes an employee with either a spouse or dependants on the plan. The employee cost is completely covered by the City; but there is still a premium increase that affected the City at \$150,000 and that has already been dialed into the budget for the employee coverage. Now it is a matter of looking at not only what the increase is or the cost; but at how many employees have spousal coverage, spousal and dependent care coverage and at subsets.

Council Member Mount stated that it is interesting because if staff can find out what that delta is and there may be some savings somewhere else as the budget is not finalized, to help offset that and figure out if there is something that can be done. Mr. Potucek stated that the policy decision for the Council is if they want to subsidize spousal and dependent care coverage and to what extent. If Council wants to establish a policy to subsidize these plans then staff will have a better idea as to what those costs are going to be going forward. The City generously subsidizes these plans and has at a much lower rate even with the increases as to what can be found in the open market.

Council Member Gray stated that she believes that the City covers at 52 percent. Ms. Jacobs stated that it depends largely on the plan.

A great service being added is called Teladoc, which is telemedicine for the employees so that when a doctor visit is not needed they will dial in the prescription. There is a zero co pay for the first two visits for each members of the plan. Also being added is a short term disability program that will replace the sick leave bank.

Council Member Calhoun asked if the City will be able to measure the calls made to Teladoc as opposed to the number of emergency room and doctor visits. Ms. Jacobs stated that yes, they will be measured.

Ms. Jacobs explained that the short term disability program will replace the City's sick leave bank and provides a safety net for employees who are injured or ill and unable to work and it goes into effect after a 29-day period. The City will be encouraging the employees to have leave saved up so that they will be able to cover the first 30 days and then it pays 2/3 of an employee's salary and it is included at no cost to the employee.

There is also an additional employee assistance program that is really a supplement to the City's plan because it already includes counseling that is provided to employees. This is a phone level service and the City encourages the employees to take advantage of it.

Health plan rates were provided that showed that for just the employee, the cost is going up from \$452 to \$513 (monthly rates). Also depicted were the different rate changes impacting the employees. Employee contribution for an employee and spouse will be going from \$294 to \$400 per month, employee and children from \$210 to \$273 and for an employee and family from \$390 to \$586. The ratio of what the City contributes for the overall cost is displayed versus the employee, which is what the city manage is recommending.

The retiree costs are going up as well and the City was obligated by ordinance to provide health care benefits to those employees that retire from the City with 20 years of service and it varies based on the employee because there were a few minor changes. It is a significant increase from \$765 to \$870 per month; but the City is phasing out completely the dependent care subsidy for retirees starting next July. Starting in July the retiree will be paying 75 percent of the subsidy and next year the retiree will be responsible 100 percent.

Council Member Mount asked if exempt and unexempt employees covered equally. Ms. Jacobs stated that they are.

Council Member Mount asked that if the burden on the family, if it is an employee plus family, does not matter based on their income. Ms. Jacobs stated that is correct.

In response to Council Member Mount, Ms. Jacobs stated that the consultant will put numbers together by the next day for Council's review.

Council Member Huisking asked if the City is currently subsidizing 50 percent. Ms. Jacobs stated that it depends and added that one of the things that the City is trying to do is to equalize the benefit that the employees get. There is a big disparity between what the City contributes to an employee and if it is just the employee and the spouse, the employee is getting \$600 per month benefit and if it is the employee and family the employee is getting \$837 in a benefit. The City is trying to do a better job at equalizing the contributions for 2016-2017. The subsidy is being reduced on the employee and family on a dollar amount and the rest as best as it can.

Council Member Mount asked to be included in the numbers, which employees are buying into these plans based on pay grades to get an idea if there are some that are not making \$100,000 a year because \$2,500 is a lot to them versus people who are making more. Ms. Jacobs stated that she is unaware if that data is available at their fingertips; but she will check. Mr. Potucek stated that he believes that staff can do that and he sees where Council Member Mount is going in terms of the regressively of the rates. Council Member Mount noted that Obama Care does not care what an employee makes.

Mr. Potucek stated that an employee at a lower pay grade is paying a higher proportion of their salary to health care costs the way that the City has been doing it; but the City has to balance that with how many are getting it and who is getting it.

Ms. Jacobs stated that the City's consultant will be preparing over the course of next year in terms of a lower cost option for employees to choose from.

The City's health care plan is considered a grandfathered plan under the Affordable Care Act. As of March 23, 2010 the Federal government compares what the City was offering then to what the City can do in making changes to its plan. If the City exceeds their guidelines on the changes that the City can make, then the City becomes ungrandfathered and will have to

incorporate more requirements under the Affordable Care Act that is not being done now. The City cannot do the following if grandfather status is to remain:

- Eliminate or substantially eliminate benefits for a particular condition;
- Increased cost sharing percentages;
- Increase copes by more than \$5 or a percentage equal to medical inflation;
- Raise fixed amount cost sharing other than co-pays by more than medical inflation plus 15 percent;
- Lower employer contribution rate by more than 5 percent for any group;
- Add or reduce an annual limit.

The changes in the rates are a five percent shift to the dependants because that is the maximum that the City can do as of the measurement of March 2010.

The analysis is that if the City were to lose its grandfathered status, it would increase the rates to the employees more than what the City is proposing by keeping the grandfathered plan. The employees know that the plan is a very rich plan and the consultant mentioned that it is the richest plan that they have seen and considered a Cadillac plan. It is a generous plan for the employees and covers a significant amount.

The consultant will be developing a high deductible option for the employees that would be a separate plan; but still self funded so if the employees want a lower premium and options and still retain the grandfathered plan.

Ms. Jacobs explained that why the City should stay self funded:

- Gives the control of the plan design to the City instead of the insurance company;
- If one piece of the plan is not working the City can change it without affecting the rest of the plan; and
- Provides additional resources for members through Appeal processes and benefit exception requests.

Mr. Potucek added that the City is clinging to the grandfathered status; but there is no assurance on how long the City will maintain that because of the insurance increases and limits to the changes to the plan. At some the City will lose reserves and be forced into provisions of the Affordable Care Act in terms of coverage. The City has been fighting the battle for three to four years and continues to do it. The consultant assures that the City will not be able to fight it any longer and it is the way that the act is designed and the way things are going with costs that at some point the City will lose its grandfathered status.

Mayor Mueller asked if the comments were shared with employees. Mr. Potucek stated yes.

Council Member Ash noted that because of her employment, House of Representatives, they all have to get their health care through the market place and it is ironic because Congress exempted itself from it; but from her experience, the City's plan is much better than the plan that she has. She also asked if an employee that does not like the plan would be free to seek insurance elsewhere. Ms. Jacobs stated that while the City would not provide the employee with any funding, the employee can choose another option as of June 30, open enrollment. The presentations were made to the employees in May so that they could make changes and it starts in the new plan year.

Council Member Ash asked Ms. Jacobs if she sees employees changing to other insurance plans due to the increase. Ms. Jacobs stated that so far, no. According to the consultant, that

even at the rates that the employees having to pay they would be hard pressed to find a plan for that amount anywhere.

Mr. Potucek stated that one area that he thinks that the City may see some movement is on the retiree side as the City continues to phase out subsidy on the spousal and dependent care coverage. There, the City is offering the option of moving to the State Retirement System Plan and covering the employee in a similar amount and see if the State Retirement Plan can offer them a better rate than what the City is proposing. It hits that group hard.

Council Member Ash noted that as she was reading the National League of Cities Report, it was helpful to know that cities all across the country are dealing with this issue. Mr. Potucek noted that the City is one of the last grandfathered plans.

Mayor Mueller added that he has talked to a number of corporate folks and they are having the similar issues particularly when costs keep going up.

Mr. Potucek noted that per discussion, Council will need to have further discussion on June 8 or 9, 2016.

Mr. Potucek introduced the following Capital Projects for FY 2016-2017:

- Slide replacement and tot turf at Summit Park as it is a safety issue for the children playing there at \$57,000 to be cashed out of the General Fund;
- Tot turf at Soldier's Creek and also from the General Fund to be cashed out at \$54,000;
- Structure and tot turf at Len Roberts Park from the General Fund at \$48,515 in cash.

Mr. Potucek stated that essentially those areas are failing and as a result pose a safety hazard to children playing in those areas.

Council Member Mount asked if there is a less expensive alternative. Ms. Yarbrough stated that there is no tot turf at Summit Park or Soldier's Creek Park. There is sand at Summit and that is not the best as it is the worse option for safety for kids. At Soldier's Creek Park, the Department went with a wood shaving option when the new playground was put in because that is what fit in the budget. It is ADA compliant but it is not the best material as when kids come down the slide their feet dig out a divot and the staff has to go in and smooth it out to make it ADA complaint again.

Council Member Mount asked about the cost for a wood alternative. Ms. Yarbrough stated that she did not remember. Mr. Potucek stated that it is less. Mayor Mueller noted that then there is the maintenance cost to make sure that the divots are filled. Ms. Yarbrough added that it also has to be replaced frequently because water washes it away.

Council Member Mount noted that he played in sand parks growing up and he is looking at an alternative to the \$150,000 worth of top turf. Council Member Huisking added that from a personal experience of having twins falling on tot turf that it is much better for the facility's liability and grandparents' peace of mind because the kids kid of bounce as opposed to getting hurt and so she is all for tot turf.

Council Member Calhoun stated that she is going to suppose that the Department looks at all of the alternative and she knows that money is a great concern; but as a community, safety has to be looked at first and wood is not the safest but safer than other cheaper alternatives. Ms. Yarbrough stated that tot turf is the safest option to put into a playground and the

Department prioritizes child safety and that is why she is recommending the safest option. The wood fiber is ok and is the next best option and after that, there are not many options. The Department did the wood fiber because it met the ADA compliance and having an ADA compliant park at Soldier's Creek was a priority particularly because the playground itself was grant funded and in order to make that fit the budget, the Department went with best option. The Department is now trying to go back and make it the best and safest option.

Council Member Ash stated that it is a lot of money and asked about liability as it is now so easy to sue people. Ms. Yarbrough stated that it is a concern, tot turf is the safest option and it assists in a liability issue. There have been complaints about the wood fiber at Soldier's Creek and having kids scratched.

Mr. Potucek added that he cannot tell how many claims there have been with regards to injuries there; but that information can be provided by Ms. Adams. Ms. Adams stated that there have been zero claims.

Council Member Mount asked when it was the last time that the City was sued for a playground accident. Mr. Potucek stated that it happens; but it is not something that the City has not been able to deal with and they are generally minor in nature.

Council Member Calhoun stated that she was thinking about risk and the need to do the best they can and not just to avoid litigation; but to avoid those injuries that are bound to happen and prevent them. She also stated that she remembers an issue with a slide and she trusts that the Department is looking at safety as primary.

Mr. Potucek stated that the City's preference is safety and the priority is to get the safest material and weigh the risks. There have not been any claims and staff is trying to balance having the safest equipment versus what the liability might be in the future.

Council Member Mount stated that he did not want to make it into a theme about tot turf; but he recalls falling into these types of arguments last year and it lead to some increases in costs that were not expected at the time and everyone can find reasons to justify these. He asked that as Council goes through the budget process that they look for alternatives as there is not a lot of money. Council Member Ash noted that Council is doing that, discussing alternatives.

Council Member Calhoun stated that whether there is an alternative or not is also a part of the discussion because sometimes there will not be a feasible alternative. She also encouraged Council Member Mount to keep bringing up alternatives so that they can be discussion.

Council Member Gray asked if there are estimates on the budgeted costs as last year things were budgeted that came in considerably lower. Mr. Potucek stated that these are the best estimates that they have right now and these can be bundled into an individual bid and see if by virtue of having more work, the cost may be less. There are things to do to reduce the figures.

Council Member Gray added if the costs could be lower so that if something happened that needed to be repaired, there would be some money there along the ball fields. Mr. Potucek stated that a lot of the bids have come in under this year; but there have been some that have come in over.

Council Member Huisking voiced her appreciation at the city manager thinking about getting a volume discount especially since it is being put into three different parks and noted that it

would also be good for Council to state why it was decided to put in top turf and its warranty on the material. This is a trade off on maintenance as opposed to getting the safest and the longest lasting. Ms. Yarbrough stated that the City started moving to top turf many years ago and it is the industry and the Department is almost at the end of the replacements. Len Roberts is a replacement turf, which has been years of investment.

Council Member Gray asked about the life span for top turf. Ms. Yarbrough stated that it lasts ten years. Mayor Mueller added that he appreciates ways to cut; but the consensus is to keep them on the list.

Mr. Potucek continued with the Capital Projects for FY 2016-2017:

- Fire apparatus cost being estimated at \$1,000,000;

Mr. Potucek explained that because of the cost associated with a new fire apparatus, the City cannot cash that particular item out in this budget and staff is proposing to finance that. The normal practice is to put 10% down so that would be \$100,000 hard dollars put in on this and then finance the remaining \$900,000 at a longer term to spread out the cost a little more evenly. A fire truck should last 15 to 20 years if properly maintained and so it makes sense to finance it out for a longer term.

Council Member Gray asked how many years is being looked at for the term. Mr. Potucek stated that with equipment, he does not like to go longer than seven years. Cars and other things are done for five or less.

Council Member Gray asked if the term is still within the lifespan of the fire truck. Mr. Potucek stated that absolutely.

Council Member Huisking asked if going to auction the vehicles are being replaced to try and make some money. Fire Chief York explained that that apparatus that is being replaced is the one that has been dedicated to the College. It is a 1991 and 25 years old and he is not sure that there is a lot of value there; but staff has to go out and look for something that is similar and see what the value might be. The other oldest engine is a 1996 and it is dedicated to the College for the fire science classes. Mr. Potucek stated that he does not believe that there is a lot of residual value.

Council Member Huisking stated that in the past, the Council has had the policy of donating some of the City's vehicles to the City's Sister City in Mexico and she is wondering if there is a cut off of age and value that the City simply does not make that choice. Mr. Potucek stated that staff should at least check the value to see what the City could get back and if it significant enough to add to the City's revenue base before making a decision. The City has donated in the past and it has been subject of a vote. The folks in Cananea are amazing in how they can keep those apparatus going; but that is a decision that Council would have to make and staff would report to Council what they think they could get for it.

- North Garden improvements are \$600,000 and that is in the current year budget and will currently go out to bid for construction in the fall.

Ms. Flissar stated that she expects it to go out to bid in the fall as other projects have moved up on the priority list, i.e., 7th Street and Campus Colombo traffic signals. Mr. Potucek stated that it is a carryover project and obviously staff does not want to do it during the monsoon season.

- Ford vehicle replacements are the third year of the five year plan to replace all of the police vehicles.

The City has been purchasing about 10 for year and using cash out of the Capital Improvements Fund for that process. By using cash, the City is able to accelerate the purchase of the vehicles and program has been working well and officers are pleased.

- Roof replacement and repair is for the Library and has been a priority throughout the budget process.

Mr. Potucek stated that Council Member Gray had asked about carpeting replacement due to water damage and although staff has said that they can live with it; if that can be taken care of, it will.

Council Member Gray stated that she would appreciate that and noted that \$250,000 for the roof replacement seems low. Ms. Yarbrough stated that this is for part of the Library's roof, the part over the peak outside, the entryway and a little ways into the Library, which is where it is leaking.

Council Member Gray asked about the life span of the rest of the Library's roof if the portion described is taken care of this year. Ms. Flissar stated that the rest of the roof is a more traditional system and it has been maintained on a regular basis and is continuing to function fairly well. This is a plastic type product panels and they degrade over time with UV light. The life span on the panels is about 20 years and the Library is about 20 years old.

Mr. Potucek asked if staff is looking at different materials as part of the process. Ms. Flissar stated that they are looking at material with a longer life and one of the advantages is that the existing material is the natural light. If a metal roof was looked at, staff would have to look at the lighting side, the atrium to be sure that the City is maintaining the current aesthetic of the Library.

- Counter top remodeling for \$25,000 is out of Local Transportation Assistance Fund which used to be the Lottery Funds; but is now receiving its funding from grants and primarily and this is a transit system item.

In response to Council Member Calhoun, Mayor Mueller explained that they are counter tops for the transit office.

Council Member Mount asked if the grant may be used for a higher priority. Ms. Flissar stated that it could be used for any number of items; but the Department has identified the counter top as a security issue and privacy issue at Transit for both customers and staff.

Council Member Mount asked if there something else that can help other than a counter top. Mr. Potucek explained that these types of grants are specific for transportation purposes and there are other uses; but this is specific to transit.

- Regional Communications Center for \$250,000 has been budgeted. The City will work with the County and cost share for that project has been budgeted. Most of it appears to be funded by the Buffet Foundation along with the over \$1,000,000 from the Governor that can be used towards this. This is a good deal in comparison to other monies that are going into the Center.

- Entryway signs into the City, \$27,000

It was thought that the cost would be double; but research indicates that \$27,000 will fund two signs from the Capital Improvements Fund.

Council Member Gray asked about the location of the signs. Mr. Potucek stated that one will be at the Highway 90 entrance and the other at Veterans' Park.

Council Member Calhoun asked if decisions have already been made on the signs. Mr. Potucek stated that only in terms of putting it in the budget and he believes that there is a proposed design. Ms. Jacobs added that staff has the prototype that the consultant developed and that is where staff is getting the estimates from.

In response to Council Member Calhoun, Ms. Jacobs stated that the sign will only say Sierra Vista.

Council Member Gray noted that the sign matches the brand. Ms. Jacobs stated that she sent the concept design out in April. Mayor Mueller asked if they include the solar power. Ms. Jacobs stated that they do.

Council Member Calhoun stated that she was under the impression that there would be city-wide discussion about the welcoming signs.

- Fry cleanup has \$90,000 set aside as the City has been working with the County Attorney and some property owners. The money has not been spent and it in the Capital Improvements Fund, which will be carried over. Progress will be made soon as some properties have been identified.

In response to Council Member Huisking, Mr. Potucek stated that the money will be used and a lot issues holding up the project have been resolved.

- City Core Switch needs to be replaced and upgraded because if the City loses the core switch, then the City runs the risk of the entire City going down in an emergency and it is time to make that replacement at \$165,000 from the Capital Improvements Fund.
- Taylor Drive improvements, a Community Development Project at \$143,000 that is grant funded;
- The street lights at various locations and the Fry Town Site street lights that CDBG funds being transferred into the HURF;
- Training facility for fire is \$300,000 and is grant funded; but unsure how well the City will do in competing for that and in that the event that the City is successful, the money has to be in the budget.

Mayor Mueller asked what is being asked in the installment. Fire Chief York stated that they have gone from a site built structure to a modular structure that are about \$75,000 per module and the Department would probably get four or five. Years ago a study was made that estimated that a site built facility would come out to a \$1.5 Million.

Mayor Mueller asked if additional infrastructure was included in the cost. Fire Chief York stated that the Public Works Department would have to figure out the drainage; but there are

hydrants around there and there is also gas to that site. There is some stuff that is already in place. The modular structure can be placed onto a concrete slab or on footer.

Mayor Mueller asked if the \$300,000 will get the Department most of what they want. Fire Chief York stated yes.

Council Member Huisking asked who is going to be the recipient of the grant request. Mr. Potucek stated that the City and it is being looked at sharing this with the other agencies in the area. Mayor Mueller asked if this will generate revenue. Fire Chief York stated that it would be the smart idea because these things are tools and there would need to be replacements and repairs; but the Department has not planned it out yet.

Ms. Adams noted that Council had reached its hour and a half work session policy. Mayor Mueller asked if there was consensus to continue. Ms. Jacobs suggested continuing for an additional hour. Council's consensus was to continue for an additional hour.

- Card readers for building security that are grant funded at \$100,000 for fire along with a digital message board for Station 362 at \$30,000 and also grant funded.

Council Member Calhoun stated that Council needs to look into how this fits into the Council's Strategic Plan and the Citizens' Advisory Commission's recommendations for the Capital Improvement Fund because it would be good to see that on a document. Mr. Potucek stated that it can be done and in the particular case of these grant funds, it is not necessarily a Capital Improvement Project item; but it is more of a target of opportunity. The City can take care of the training facility, building security issues for employees and have a message board to be put out for the public.

Council Member Calhoun stated that she is curious about other things to be funded that could be a higher priority, i.e., seat belts for the busses as these are transportation grants. She also noted that when expenses are questioned, safety seems to come up as the answer. Mr. Potucek stated that public safety is always the number one priority.

Council Member Calhoun stated that it helps Council to know the reasons why so that they can answer to the public when asked about it.

Council Member Mount asked who is doing all of the work to write the grants. Mr. Potucek stated that a lot of cities have grant writers and he has never really subscribed to that as he believes that the City's staff, particularly the management analysts and administrative staff in the various departments are fully capable of writing grants and have shown themselves to be successful through the years. The Fire Department would write the grant. The City does not go out for grant writing unless it is something specialized.

- New ball field, the Diamondbacks Grant, to add an additional ball field and it would come out of the Leisure Department;
- Stonegarden equipment out of the Police Department at \$15,000;

Police Chief Thrasher stated that Operations Stonegarden is funded by the Department of Homeland Security. The equipment purchased is to help with those programs, surveillance equipment, to purchase for and apply for through a grant.

Council Member Gray asked about the type of surveillance equipment. Police Chief Thrasher stated that it is typically cameras.

- Taxiway G & J construction at the Airport through the Public Works Department is estimated at \$2.5 Million and those are primarily FAA Grants over 90 percent with a small match from the State Department of Transportation along with a small match from the City for the remainder.

Ms. Flissar stated that the numbers are somewhat strange from the FAA and the City's match is 4.47 percent. Mr. Potucek stated that it is a pretty good leverage on a \$2.5 Million project.

Mayor Mueller stated that he is aware that the State Transportation did put more money in their airport fund this year and asked if it is likely that they will participate and have money for the City as there are other larger airports that are still waiting in the queue for money. Ms. Flissar stated that in her experience, an important aspect with the State is that they have opportunity to review the plan along the way and as long as their process is followed, the City has never had an issue getting matched funds from the State. They have been copied on all of the recent emails and have not indicated that match funds will not be available.

Mayor Mueller stated that is probably 50/50.

Council Member Mount asked about the number of grants that have stipulations for a match. He also asked about the amount that the City would pay. Mr. Potucek stated that the Taxiway G & J construction's 4.47 percent of the \$2.5 Million would be the City's match and that general comes out of the General Fund or the Capital Improvements Fund.

Council Member Mount asked if those funds are reflected in the budget. Mr. Potucek stated that the City has to budget the full amount of the grant to get the revenue; but then there is the cost side and the City has to put its match in against the grant and that is a budget consideration for the City.

- Replacement busses out of the Local Transportation Assistance Fund; but that is General Fund subsidized and those are typically 80 percent, 20 percent match grants for busses.
- Fuel system at \$304,000; but it won't be constructed until next year and it is transit related.

Ms. Flissar noted that she does not recall the match. Mr. Felix added that it is an 80/20 grant.

In response to Council Member Huisking, Ms. Flissar explained that it is a fuel management system at the fuel farm that tracks which type of fuel is being dispensed, which vehicles and what quantity. The current system is the original system and it is antiquated technology. Mr. Potucek added that the City has multiple users from multiple agencies that need to be tracked.

- Buffalo Soldier Trail overlay Van Deman Gate to Buffalo Soldier Trail gate design is also a HURF project. This is a grant as well for \$40,000 and the City is looking at construction for the following fiscal year. The State will do some major work at the Van Deman Gate and the City will follow with its project; but it has to be designed first.

Council Member Huisking asked if the design is in-house. Ms. Flissar stated that the project is in-house and the Department has put in an application to do that. The Department has to apply in order to be able to do it on its own.

- Replace of multifunction units for \$12,000

Mr. Rubio stated that these are two units that are being replaced and they are basically multifunction machines that are located in each department that perform the printing, scanning and copying. They are enterprise class machines and the two that would be replaced are about five to six year old.

Mr. Potucek stated that the following are small items that Public Works needs for daily operations:

- Above ground lifts two replacements of existing units at \$10,000;
 - Outside pressure washer replacement for the vehicles at \$9,000;
 - A welder at \$10,000; and
 - Aeration equipment at \$25,000.
-
- Lot light replacement also coming out of HURF is a transfer of \$40,000 from Capital Improvements

Ms. Flissar stated that over the last few years many of the parking lot lights have been replaced that are typically high pressure sodium with new energy efficient LED lights. This would continue that project and allows the Department to replace approximately 48 lights next year. LED lights use a fraction of the electricity that high pressure sodium lights use while producing a comparable amount of light. This has enabled the City to save money on its electric bill and the Department's experience is that the LED lights have a relative short payback period on them.

Mayor Mueller noted that they have a longer life span and asked how many more need to be replaced. Ms. Flissar stated that she would provide him with the information.

Council Member Calhoun asked about the general life span of the LED lights. Ms. Flissar stated that it varies and the minimum that she has heard is about ten years; but some have been in place for 20 years that are functioning.

- Coronado widening project is a carryover project from the Capital Improvements Fund and it recently went out to bid and there is \$1,200,000 available for that; but those bids came in around \$1,500,000 and he has asked Public Works to re-engineer the project using a little less asphalt and will then go back out to bid.

Mr. Potucek stated that staff had a five lane design and alternatives are being looked at to try and cut the cost of that bid.

Council Member Calhoun asked about the term ID under fund. Mr. Potucek stated that it stands for infrastructure development/impact fees.

Council Member Calhoun asked if HURF decreased due to population or sweeping. Mr. Potucek explained that the sweeping has kept funds low and HURF has been a slow growing fund for a long time. As costs have gone up, the City has had to rely less on HURF for street maintenance. The decrease in population will hurt the City going forward; but the SSVEC

franchise vote a few years back generated an additional \$700,000 in funds that Council decided back then to add to street maintenance efforts.

Council Member Calhoun asked if that is an annual amount and if it stays the same. Mr. Potucek explained that it is an annual amount; however, the public utility taxes and franchises that generate revenue for that are projected to be stagnating due to energy conservation and lower population. The City is not seeing a lot of growth in that area right now.

Council Member Huisking stated that the longer the Coronado widening is put off, the higher the bids will be. Mr. Potucek stated that the City received a good bid for the 7th street signal from the same company and he is not sure why there was a difference in the bids. He also does not know if timing will hurt; but it is more a matter of having a full design street and very few bidders. Ms. Wilson will go out and find more competition for the City and he hopes that with the redesign, the bids will come in closer to the budgeted amount.

Council Member Huisking asked if it will equal more maintenance if the City has a less expensive street. She also asked if the City will use impact fees from the developers on that property. Mr. Potucek stated that the City has strict street construction standards that are adhered to and the City will not compromise on the quality of what is built. It is just the matter of what is being built and not the quality of it.

Council Member Huisking asked if there will be fewer lanes. Mr. Potucek stated that it is an option. The City is looking at going to a four-lane design as opposed to the five-lane design that was bid. In that stretch, that may work for the City and there is still right of way there to add another lane in the future if there is a need; but the City can do with four-lanes like Coronado from Busby to Wilcox, which seem to function. It will improve the function that is currently out there; but there will not be any turn lanes as a result and it will be similar to Avenida Del Sol.

- Campus and Colombo traffic signal

Mr. Potucek stated that the City has had a number of incidents and issues at Colombo and Campus prompting Dr. Rotweiler to call the City about some of the things that have occurred out there. It is on the City's list of traffic signal/intersections upgrade that will also be an infrastructure improvement fund project paid for out of impact fees at \$350,000. This will be the City's newest signal.

- Sewer Projects

Ms. Flissar stated that the EOP Flow influent meter at \$50,000 is the device that measures the flow that comes into the plant and that is important for the Department's computers to have an accurate gauge as to what is coming into the plant at any given time.

The Effluent Water Reuse Project is another recycling project that has a very short payback to it. This takes water that is being used at the EOP and recycles it back through the system and allows for it to be used again to be able to save on water, which is a good thing in the community.

The Highway 90, Charleston Crossing is an improvement where the City has several lines coming together that are experiencing problems. This is a larger scale point repair project to deal with an existing problem area in the City.

One of the items that is consistently out at the EOP is the biosolids coming out through the system that the Department typically combines those with green waste to make a high quality compost product; but in the event that the chipper breaks down for the green waste, the Department has to have another way to reuse the bio solids because those don't stop coming in. This will allow the Department to spread the biosolids at other areas of the site as the City has plenty of land available. The City has the proper permits to do it and this allows the Department to spread at other areas so that it is not backing up at the EOP.

The heavy sewer vactor is a major piece of equipment for the sewer section. This is what cleans the sewer lines as it puts out a high pressure jet through the lines and blows through any obstruction. It is a very important piece of equipment for sewer operations.

The backhoe loader is unavailable at the sewer section. That section has to borrow one from some of the other sections and that does not always work out on timing. This would give that section a dedicated backhoe loader to use for their operations and it would be used in a variety of ways, i.e., biosolids and other projects at the EOP.

Council Member Mount asked if the Department has access to one; but sometimes it is not convenient to get it. He also asked if there is some way to schedule it out rather than buying a new backhoe loader and the maintenance that comes with it and save \$130,000. Ms. Flissar stated that this is something that has been looked at for several years and the Department has cut this from the budget the last two years. The Department has tried to make it work; but the Department has been doing what has been indicated and it has not been working.

The replacement pickup is necessary as most of the fleet is getting old and this is the highest replacement item from fleet for the sewer section.

Mayor Mueller asked if this would be financed from the sewer enterprise fund. Mr. Potucek added that the point he was going to make is that the items seen financed pertain to equipment and they are collateralized against what is financed. The other ones are different, they are more infrastructure type or projects; but they would all be financed out of the enterprise fund. In looking at that, Mr. Felix looks at what the City can bare without raising rates. The City is able to do that in these cases and it will all come out of the enterprise fund.

Council Member Calhoun asked if the sewer or refuse funds will be less this year. Mr. Potucek stated that the City is looking at it flat in both areas as the City does not have growth in customer base. The funds are in good financial shape and the City does not need to raise rates in order to do these things and there is money set aside to handle a lot of these capital replacements.

Ms. Flissar explained the replacement of the vehicles:

- Pickup ½ ton;
- Front loader; and
- Pickups with lift gate

The front loaders are used on the commercial routes and this replacement is the vehicle most in need for the commercial refuse routes, the pickups with lift gate are vehicle replacements for existing vehicles in the Department's fleet that are experiencing problems. Fleet tracks vehicle mileage and vehicle maintenance history carefully and they have prioritized these vehicles as being most in need of replacement. Mr. Potucek stated that this equipment that he is looking at a five-year financing.

Council Member Huisking asked about the numbers listed after the item. Mr. Potucek stated that it is the actual identification number of the vehicle.

- Body cams and related costs associated with retaining and getting out the data, which will be paid out of RICO for \$100,000.

Police Chief Thrasher stated that this is the first year of the cost for the body cams and the storage that will outfit the officers along with a one year of storage. The Department is still going through the process of identifying the best method of picking out a body camera and storage. The Department will have to go out with an RFP for that as there are multiple companies out there. Mr. Potucek added that this is the initial cost; but there will be ongoing costs for data to include additional personnel and he is estimating \$70 to \$75,000 for a year.

Council Member Calhoun asked if RICO funds will cover this annually. Mr. Potucek stated that his guess is no as it depends on how well the Police Department does in getting RICO. It is sporadic and he is looking at a General Fund expense in the future.

Mayor Mueller stated that there is no decision with regard to a standard on public information. Policy issue is out there that needs to be worked on to have a standard on public records. He also asked about the potential cost. Mr. Potucek stated that the impact in the future is not known; but it was his hope that the Legislature would have something. However, they chose not to do that and punted that down to localities using the State Record laws. It is staff's goal to work with the County Sheriff to compose a cohesive policy

Mayor Mueller noted that paper records are different than video and the City will have to work with the Sheriff's Office for a reasonable standard so that the people will know what to access and the payment of storage.

Police Chief Thrasher stated that multiple agencies have body cams and he will look at that, especially those in the valley.

- Trailer truck mounted crash attenuator, \$20,000;

Ms. Flissar stated that this a trailer that is pulled behind the pickup trucks particularly for use on high speed roadways in the event of a rear-end collision as it provides some protection for the occupants inside the vehicle.

- One ton truck replacement, \$60,000; and

Approximately a year ago, the City did have an accident where a City vehicle was rear ended on BST at a high rate of speed. That employee was out for quite awhile who was operating that vehicle. This truck is the replacement of the vehicle that was totaled.

- Bucket truck replacement, \$190,000

The Department currently has two bucket trucks and both are more than 10 years old. The one that is being replaced is the most urgent of the two as it randomly shuts off.

Council Member Calhoun asked about the bucket truck. Ms. Flissar stated that it is used to maintain traffic signals.

- Multifunction units out of Finance and Procurement at \$12,000; and

- Scanners at \$8,700 for the munis tower system content management in the general fund.

Mr. Potucek presented Capital projects that did not make the cut in order to balance the budget that had been requested by the departments (most were from Public Works).

Council Member Gray asked about staff's opinion on safety issues because she understands that there are some trip hazards at the Library. Ms. Yarbrough stated that the carpet is the original carpet and it is wearing out. The Department has been asking for it for a few years; but it has not been able to rise to the top.

Council Member Gray asked if the carpet at the Library will be replaced after someone trips and sues the City, which will be more than \$150,000. Council Member Mount stated that he is glad that it was brought up and noted that as he was looking at the June 22, 2015 itemized list, which caused tax raises for the Public Works items that came in at the last minute, he found that the leading cost stuff, i.e., carpet replacement and exterior painting is all the stuff that was a priority last year that became the necessity for a tax increase. These are showing up under capital projects that are not funded. Council already made that decision and raised taxes for these things and Council is looking right back at them.

Council Member Mount stated that he thinks that Council will have to go back and look at the things that were requested that are still on the list and reconcile them with the ones that were not funded and look at the list of things that were justified for last year.

Mayor Mueller stated that Council did add some things and he believes that carpeting was one of the items; but he is not sure which building it was in. Council Member Mount stated that the lists states \$75,000 for carpeting replacement; but the building is not mentioned. Council Member Gray added that the Library as discussed as well as paint.

Mayor Mueller asked if the money was appropriately spent last year as directed by Council. Mr. Potucek clarified that General Fund items were looked at; but he had to balance it.

Council Member Gray stated that she is not harping on the Library nor is she concerned about cosmetics; but rather for safety.

Mayor Mueller noted that the fire panels are old. Ms. Flissar stated that they meet standards; but they are reaching their end of their useful life.

Council Member Ash stated that it sounded like to her, coming from Council Member Mount, is that it is not a conspiracy; but intentionally, Council's priorities were not met and it is important to clarify that. Council Member Mount noted that he did not say that.

Council Member Ash stated that not intentionally; but the items that Council prioritized did not get done last year and asked why that might happen.

Mr. Potucek stated that the painting projects were done and there was money for that and there were projects done and staff will have to go back and look at the list to see which ones were accomplished. Things change from year to year and if something was missed it can be added to the budget.

Council Member Mount stated that it has nothing to do with staff, it is a policy decision made last year by Council as taxes were raised for the items on the list to get accomplished. He

asked if Council wanted to go back and look at what was decided last year or go with what is being recommended by staff.

Mayor Mueller stated that each year is different and it was not in concrete. Things were added so taxes were increased. Council Member Mount stated that the Council raised taxes for those items on the list; but they are still on the list. Mayor Mueller asked staff if those items on the list were done.

Council Member Gray stated that last year additional funds were allocated for the items; but issues come up and they have to be resolved. Mr. Potucek stated that the taxes went to fund the Class Comp and he will go back and look into which items on the list were able to be accomplished. Council Member Gray noted that they did; but not for direct projects. The Library covering needs to be looked at and it is more expensive this year than last year when it did not happen.

Mr. Potucek stated that he would love to do all of the projects and noted that if he is directed to add it back in, he will have to cut something else and come back to Council.

Council Member Gray voiced her appreciation at the energy savings and asked how much is being saved on the film in the atrium area at the Library. Ms. Flissar stated that film has been done at other facilities and the bottom line is that it has not been as effective in terms of energy savings; but it adds to patrons' comfort. The Department has not seen energy savings with regard to window film.

Council Member Gray asked if the top turf projects could be bundled and put back into the budget. Mr. Potucek stated that staff could add to the project. Ms. Flissar stated that the Department had other projects going on and they were able to get a good deal and the project was completed during the last few weeks.

Council Member Gray and Mr. Potucek voiced their appreciation.

Council Member Gray asked about the lighting maintenance renewal and the possibility of replacing the lighting with more energy efficient lighting. Ms. Flissar stated that this basically extends the warranty on those lights so that if something goes down it is covered by warranty. Without it being covered by warranty, the City would be responsible for the replacement costs and the Department has actually not renewed those warranties in several years on some of the fields. They are costly and the risk that the City takes here is that if something gets struck by lightning, something goes out, and then the City has to cover the cost rather than it being covered by a warranty.

Council Member Gray asked about the cost. Ms. Flissar stated that it would depend on what got struck as it could be a routine matter, i.e., relamping. This is a calculated risk.

Council Member Calhoun asked if the \$27,000 is for the warranty or repairs. Ms. Flissar explained that it is for the warranty, an annual cost. The Department has looked at converting the fields and for that, they are looking at hundreds of thousands of dollars.

Council Member Ash asked how the parks were prioritized with regard to installation of tot turf and slides. Ms. Flissar stated that the reason that the slide over by the Howard Ball Field ended up on the cut list is because it is specific to the metal slide. The Department took out the slide rather than replacing the slide and installing tot turf.

Mayor Mueller proposed to Council to adjourn and start the work session on the following day with answers to the questions asked by Council followed by Operations and Maintenance and Debt.

3. Adjourn

Mayor Mueller adjourned the work session at 6:46 p.m.

Mayor Frederick W. Mueller

Minutes prepared by:

Attest:

Maria G. Marsh, Deputy City Clerk

Jill Adams, City Clerk