

**CITY OF BUCKEYE  
COUNCIL WORKSHOP  
APRIL 29, 2014  
MINUTES**

**Executive Conference Room  
530 E. Monroe Ave.  
Buckeye, AZ 85326  
1:30 p.m.**

**1. Call to Order/Roll Call**

Mayor Meck called the meeting to order at 1:30 p.m.

Members Present: Councilmember Garza (excused at 3:06 p.m.), Councilmember Strauss (excused at 3:40 p.m.), Councilmember Hess, Vice Mayor Orsborn (excused at 3:16 p.m., returned at 3:19 p.m.), Councilmember McAchran (excused at 4:04 p.m., returned at 4:07 p.m.), Councilmember Heustis, and Mayor Meck.

Members Absent: None.

Departments Present: City Manager Stephen Cleveland, City Attorney Scott Ruby, City Clerk Lucinda Aja, Summer Stewart Clerk's Office, Assistant to Council Carol Conley, Economic Development Manager Len Becker, Fire Chief Bob Costello, Government Relations Manager George Diaz, Human Resources Director Nancy Love, Public Works Director Scott Lowe, Police Chief Larry Hall, Community Services Director Cheryl Sedig, City Engineer Scott Zipprich, Water Resources Director Dave Nigh, Development Services Director George Diaz, and Finance Director Larry Price.

**2. Discussion of Green Waste Recycling Program Fiscal Year 2014-2015**

**Staff Liaison: John Minear, Public Works**

**District No. All**

Mr. Minear provided an overview of the New Green Waste Recycling Program . The new program is a one-year pilot program with the option to extend annually. A timeline of the program and proposed cost was discussed, along with a sample of the community brochure.

**3. Discussion of City of Buckeye Benefit Proposals**

**Staff Liaison: Nancy Love, Human Resources Director**

**District No. N/A**

Ms. Love provided an overview of the group insurance proposals received as a result of the Request for Proposal (RFP) process. The City utilized the services of a benefits consultant, Segal Company, and obtained 17 proposals. This included proposals for medical, dental, vision, life insurance, accidental death and dismemberment (AD&D), short term disability (STD), COBRA and/or flexible spending administration.

An internal evaluation committee was formed to make insurance recommendations based on various factors to include experience, financial standing and network/doctor match. The committee recommended the following: CIGNA for medical insurance (no plan design changes and minimal disruption to employees, a reduction in premiums and savings to the City in the approximate amount of \$480,000); Metlife for dental insurance (richer plan designs, provider match, rate cap guarantee, approximately 9% reduction in employee costs); Ameritus for vision insurance (two networks to choose from, a three year rate guarantee, approximately 17% reduction in employee costs); Sun Life

for life insurance, AD&D, and STD (rich plan designs, 3 year rate guarantee, approximately \$63,000 in annual savings for the City); MHN for the employee assistance program (enhanced benefits, five year rate guarantee, approximately \$2,700 in annual savings for the City, excellent provider network). Additions to the recommended plans include a four tier rate structure and domestic partner medical coverage.

Ms. Love informed Council that a high deductible health plan was considered, although not recommended due to the amount of employee preparation that would be necessary prior to implementation. Ms. Love recommended that the employee contribution to insurance remain unchanged from the previous year. Ms. Love noted the City has absorbed any increases the past five fiscal years. A table of the proposed fiscal year 2014-2015 contributions was displayed as well as a list of the steps that need to be taken to implement the recommendations, which would take effect July 1, 2014.

Ms. Girardo (Segal Company) informed Council the rate reduction is due to past employee claims experience, and the rate may be negotiated the next fiscal year as necessary. Mr. Ruby stated the contract has a five year term and is subject to annual renewal and budget law.

Ms. Love informed Council the recommended health plan is a 9.8% savings; the City pays approximately 85% of the contribution and the employee pays approximately 15%. The employees currently pay 100% of dental insurance costs, which amount to approximately \$97,000.

Break – 2:30 p.m. – 2:40 p.m.

#### **4. Discussion of Fiscal Year 2014-2015 Budget (Estimated time – 2 hours)**

**Staff Liaison: Larry Price, Finance Director**

**District No. N/A**

Mr. Price welcomed Council and presented the draft of the proposed budget. Mr. Price explained this workshop will address questions raised by each Councilmember following the April 22, 2014 workshop.

The possibility of an employee compensation and comparison study was discussed. A study would take approximately four months to complete and would cost approximately \$60,000. The study would also include strategies for implementation of the findings. Mr. Cleveland presented comments regarding entering into discussions to perform this study, but not having the funds to implement. Council stated they would like to discuss this issue in an additional workshop.

Studies included in the proposed budget were discussed, along with the economic benefits of each study, which included the Buckeye Transit Study, El Rio Study and Gila River Restoration. Mr. Cleveland provided further information regarding the Gila River Implementation Program and potential revenue this program may gain for the City. Councilmember Heustis requested a report and/or status of each study and any resulting projects be provided to Council at least every six months.

Proposed new positions, positions that have been filled, and internal promotions and reclassifications were overviewed by Ms. Love. A list of filled positions that were previously budgeted as well as additional positions approved during the fiscal year were listed. Mr. Price informed Council the only project that has increased revenues are the lease agreements attained at Sundance Crossings. The 10 positions requested in the proposed budget are due to the acquisition of Sundance Crossings. Mr. Lowe provided clarification to Council regarding the requested facilities maintenance position and the need for an additional maintenance employee; custodial services will be used at this location.

The City's operating budget and the sources and uses of revenues were presented by Mr. Price. Discussion was held regarding the difference between recurring revenues and non-recurring revenues.

*Council Workshop April 29, 2014*

Mr. Price advised Council the preferred method is to have an increase in revenues prior to increasing expenditures.

Discussion was held regarding the implementation of a step-program and what would be required to maintain a stop program. A chart comparing several communities and their past Merit and/or COLA programs is presented. Options to free up recurring revenues for wage adjustments utilizing health insurance premium reductions, eliminating selected service delivery programs, reducing number of new positions, and not filling vacated positions were discussed. The proposed budget reflects a possible one-time bonus to employees. Ms. Love provided information to Council related to the City's turnover rates; Buckeye's turnover rates are considered low at less than 10%.

Mr. Hall informed Council that it would not be cost effective to the City to build a jail at this time; it is more economical to continue to pay to Maricopa County Sheriff's Office prisoner/incarceration fees.

The use of cameras instead of full time Park Rangers to enforce illegal dumping/shooting at the future Skyline Park was addressed by Cheryl Sedig. There are currently 8,700 square acres with several entry points that need to be maintained and the cost for camera installation and placement, monitoring and maintenance would not be cost effective. Sixty eight thousand pounds of trash has already been removed by community clean-ups, and the officers patrolling the area have been effective in decreasing the amount of dumping and shooting. Access to the Park and a timeline of completion was discussed. It is anticipated that Skyline Park will be open in the middle of 2015.

Charts displaying engineering with and without capital were presented by Mr. Zipprich. Comparisons of contracted engineering services with cost of the development services staff were shown. The City was paying approximately 2.3 million in consulting services. As a comparison, the cost to the City will be approximately 1.5 million for internal staff to complete necessary services.

The mission of the City to increase revenues through economic development was noted by Mr. Becker. A table of sewer and water capital projects was displayed to show that additional commercial and industrial sites will enter the market. The Jones Ford dealership move/contract will provide new job opportunities and increased sales tax revenues to the City.

The numbers of Single Family Residential (SFR) permits issued have seen a slight increase in the amount of SFR's issued.

Mr. Platacz responded to Council's questions regarding the ERP Core Financial Model and the required funds and staff that will be necessary to complete the project. The proposed positions would be considered temporary (24 month) assignments. The new financial model would unify all of the current systems and include all information in one database.

Mr. Lowe clarified that the requested maintenance employee for Sundance Crossings is based on need and will work at all facilities in the City. Revenues received from the tenants at Sundance Crossings would cover the cost of the additional employee. An International Facility Management Association study done in 2005 indicated one maintenance employee per 47,000 square feet is acceptable. By that standard, the City would need to employ eight full-time workers. The requested position would be the fourth maintenance employee.

Water, sewer and sanitation funds were presented with slides reflecting budgets of each fund. Mr. Price informed Council that budgets of each fund are balanced. Depreciation expenses were explained by Mr. Price. Mr. Nigh explained water and sewer revenue.

Highway User Revenue Fund (HURF) budget were presented and the impact of the current legislative budget were discussed. Mr. Lowe advised Council that funds are allocated based on percentage of population; Buckeye represents approximately 1% of the population of Arizona, so the City receives 1% of HURF. Maintenance of roads should be completed on a three to five-year schedule.

Discussion was held regarding Development Impact Fees and clarification is provided by Mr. Ruby regarding collection of and use of impact fees, as well as potential reimbursement of the fees. Mr. Price informed Council there are no revenues in the general fund available to subsidize the proposed impact fees.

**5. Adjournment**

A motion was made by Councilmember McAchran and seconded by Councilmember Hess to adjourn at 5:26 p.m. Motion passed unanimously.

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Jackie A. Meck, Mayor

ATTEST:

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Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Regular Council Meeting held on the 29<sup>th</sup> day of April, 2014. I further certify that a quorum was present.

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Lucinda J. Aja, City Clerk