

MINUTES OF THE SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held at the Council Conference Room, 88 E. Chicago St., on Monday, January 23, 2012, at 5:05 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY.

The following members answered roll call:

Jay Tibshraeny	Mayor
Jeff Weninger	Vice-Mayor
Kevin Hartke	Councilmember
Rick Heumann	Councilmember
Matt Orlando	Councilmember
Jack Sellers	Councilmember

Also in attendance:

Rich Dlugas	City Manager
Pat McDermott	Assistant City Manager
Jeff Clark	Fire Chief
Mary Wade	City Attorney
Dawn Lang	Management Services Director
Greg Westrum	Budget Manager
Dave Bigos	Mayor and Council Assistant
Marla Paddock	City Clerk

1. OPENING REMARKS

MAYOR TIBSHRAENY stated that this is the first in a series of meetings that will be held regarding the City's budget and turned the meeting over to City Manager Rich Dlugas.

CITY MANAGER RICH DLUGAS announced that the meeting will entail looking at the 5-year forecast and there will also be an opportunity to talk about the Capital Improvement Programs. He said there would be another budget workshop with the City Council in March and staff will reconvene with Council tentatively the first Friday in May. Mr. Dlugas said that Dawn Lang and Greg Westrum will present Council with the budget information. He advised that they will take a look at different scenarios and would like to get Council's thoughts on how to move forward with this year's budget.

2. PURPOSE OF MEETING AND REVIEW AGENDA

MS. DAWN LANG, Management Services Director, said she is excited about her new position.

Ms. Lang advised that while the estimates from the County and State are preliminary, the budget is not looking too bad. She explained that the purpose of this budget meeting is to provide background discussion in advance for preparing the 2012-13 budget and Capital Improvement Program. Ms. Lang said that staff has a good handle on the City's revenues. One challenge has been identifying the sustainable ongoing versus one-time funds. Ms. Lang advised that there will be discussion about the change with the public involvement process and discussion on the 5-year General Fund ongoing forecast. Additionally, there will be discussion on the declining assessed value and its impact on the Capital Improvement Programs.

Ms. Lang explained that the practice in the past was to conduct three citizen budget workshops. However, due to low attendance, Ms. Lang advised that the Mayor suggested making some changes in public interaction. Ms. Lang introduced Budget Manager, Greg Westrum, to discuss the changes.

COUNCILMEMBER DONOVAN joined the meeting at 5:09 p.m.

3. PUBLIC INTERACTION:

MR. GREG WESTRUM discussed two items pertaining to public interaction: an online budget survey and Budget Connect. Mr. Westrum advised that the survey has been available to the public since December 26, 2011 and will remain open through January 31, 2012. He further explained that the online survey is quite simple and only has three questions:

1. Allocate a \$100 Budget among the five Priority Based Budgeting Goals.
2. Of all programs and services offered by the City, what are the five most important?
3. If the City were forced to reduce some programs or services, what areas should be eliminated or reduced?

COUNCILMEMBER DONOVAN asked what "preliminary results" refers to on the PowerPoint presentation. Mr. Westrum advised that that comment refers to the 36 responses that were received as of January 16. Mr. Westrum advised that as of last Friday (January 20, 2012) the number of submitted responses to the survey has increased to 65.

a. Preliminary Results of Online Budget Survey

Mr. Westrum provided a synopsis of the preliminary responses from the first question of the survey pertaining to how to allocate City funds:

A Safe Community – \$27

A Community with Sustainable Economic Health - \$22

A Community with Effective Transportation – \$17

A Community with Cultural, Parks, and Recreation Opportunities - \$17

A Healthy and Attractive Community - \$17

The Councilmembers asked for clarification on some of the definitions and/or terms used within the survey.

Mr. Westrum said that this is a new survey that has only been used this year and if necessary, the wording can be changed in the future.

Mr. Westrum said that the surveys are also available in paper form at the libraries and the front counters at a variety of City offices.

The intent is for staff to gather the responses from the survey and analyze the data to provide Council with an update on March 5.

Mr. Westrum explained that the next slide in his presentation in contrast to the first one is not linked to dollars. Instead, it pertains to programs and services. He further stated that items were captured in general areas and there were no specific categories provided. Mr. Westrum said that he gathered the data and placed it into broader categories.

The next slide includes the suggested reductions and/or eliminations.

COUNCILMEMBER ORLANDO noted that Parks and Recreation was at the top of the list on one chart and on the bottom on the next chart. Mr. Westrum acknowledged the inconsistency.

COUNCILMEMBER DONOVAN commented that the City makes money on recycling yet some residents are suggesting that the program be cut.

VICE MAYOR WENINGER asked if staff has thought about placing the survey on the City's Facebook page.

The Mayor said he will ask Dave Bigos to speak to that topic later in the meeting.

COUNCILMEMBER DONOVAN asked if the survey results would be available for the February 29 Budget Connect meeting. Mr. Westrum advised that they are likely to include the results but have not worked through the details yet.

b. "Budget Connect" – February 29

Mayor and Council Assistant, Dave Bigos, explained that the Budget Connect is an idea that resulted following the Neighborhood Connect held last Fall where there was an online website that was streamed to the Council Chambers. There were approximately 40 participants online. Due to the success from that meeting, it was decided that it might be a good platform to also have a budget meeting in the same manner.

For the Budget Connect meeting, residents have the option to attend the budget presentation in person or participate online. The survey will be used as a feeder system to talk about what is on the minds of Chandler residents. The agenda will include the budget overview with the Mayor and Council sitting at the dais.

The Mayor will moderate the meeting after the presentation. Staff will talk about trends from the survey results and will take questions using the online tool. The public can participate through the use of Twitter and/or Facebook, as Vice Mayor Weninger mentioned. The website will remain for a period of time following the meeting for continued dialogue.

COUNCILMEMBER DONOVAN asked how the Council will see the questions that are coming in.

Mr. Bigos advised that he will route the questions to the Mayor for moderation purposes and staff will have the ability to monitor questions before they go out to the public. Comment cards will be available for members of the public in the audience.

4. PRELIMINARY 5 YEAR GENERAL FUND ONGOING FORECAST

Ms. Lang advised that the Mayor and Council should have received a copy of the preliminary condensed forecast and she would provide an overview.

Ms. Lang explained that in developing the preliminary 5-year forecast, staff was very aware of the current year's budget, as everything is built off of 2011-12. She said it is important to look at the ongoing one time and determine what is sustainable. Ms. Lang advised that when staff began looking at the ongoing/ one time, they locked in at 95% over the last couple of years. This year the ongoing portion was 93.7% and one time portion was at 6.3%. She explained that this is a combination of local sales tax, building permits, plan check fees, and development fees. Ms. Lang said that staff is working closely with Transportation & Development to determine what revenues are coming in and deciding what is sustainable.

Ms. Lang said that staff builds the expenditures base on the ongoing level. She advised that the monthly revenue report will go out this week. Ms. Lang said the City is about 7.7% above its historical trend in 2011-12. By the end of year staff believes it will be approximately 6.1% over adopted. Once it is determined what the preliminary projection revenue is for 2012-13 and staff is comfortable with the ongoing sustainable level, then a projection can be made for the next 5 years. This helps staff to determine the expenditures needed to maintain a balanced budget. Ms. Lang also mentioned that there is a modest increase of the total revenue in the out years. It goes from approximately 3.3% to 3% increases over the 5-year period. Staff does not anticipate drastic growth.

The preliminary information received from the State shows the state shared urban revenue is about 20 percent or so. Staff is choosing a more conservative estimate in the preliminary forecast using 10% as the amount. Ms. Lang advised that capital gains are very difficult to project and many projections are based on large capital gains anticipated through property taxes.

Ms. Lang advised that staff will have a better idea of the urban revenue increase once the numbers are received from the State sometime in March. The numbers will be for the prior 18 months. When it comes to State shared sales tax staff tends to be more conservative than the State. The State is projecting closer to 7%, the City projects a 3% increase on the 2011-12 based on sales tax for the State level.

Primary property taxes are continuing to decline for assessed values. Ms. Lang advised that the secondary and property taxes are behaving very similar; therefore, the same reductions were built in when projecting on the secondary and the primary. She said they are going down about 10% in the upcoming year. In 2013-14 another reduction is anticipated based on calendar year 2011.

VICE MAYOR WENINGER asked if the 50 or so homes that are going online each month will be included in the estimates two to three years from now.

Ms. Lang said that staff has not included that level of detail in the current projection. They based the preliminary numbers on information received from the County and also the trends and home values in Chandler. Ms. Lang advised more detail would be included in the next projection. She said that staff is working with Chris Mackay (Economic Development) to help determine new businesses that are coming online and how that will impact the City.

COUNCILMEMBER ORLANDO asked for clarification on the decreasing amounts listed under the transaction privilege tax.

Ms. Lang advised that transaction privilege tax is one of the most difficult things to project, especially with the Intel expansion because it affects every single category in the revenue source. Ms. Lang explained that in 2011-12 that number is very high because the Intel expansion and other support buildings. Over time the number decreases as businesses come off of that project. The 2011-12 budget reflects the new Intel fab. Ms. Lang explained that once the project is completed, there will be a reduction in revenue, as the one time money is already starting to fall off in 2012-13 budget. Ms. Lang suggested looking at the sustainable base, the ongoing level from 2011-12 to 2012-13, with a 5% increase.

VICE MAYOR WENINGER asked for clarification on what is included in transaction privilege tax.

Ms. Lang advised that it includes hotel, motel, restaurants, bars, contracting, and retail.

Ms. Lang mentioned that the City is getting extra money because of the residential rental program because the large number of homes that are being rented.

Ms. Lang provided an overview of the preliminary forecast of expenditures. She said that staff tries to keep this number as true to the adopted budget from the prior year. She explained that the final negotiated numbers from the Memorandum of Understanding (MOU) are incorporated into Line 6: "Personal Services/Wage and Benefits." The number has been updated to reflect the final negotiated numbers from the 2011-12 contracts.

The merit that is built in for 2012-13 was included as part of the MOU negotiation. Depending on the employee's anniversary date, part of that number is reflected in the 2012-13.

COUNCILMEMBER HEUMANN asked why the healthcare costs show a decrease from 2012-13 and 2015-16 and then start to increase.

Ms. Lang explained that when the City transitioned to being self-insured the rates started artificially low. At the same time the City was in the process of converting from the 90/10 percent employer/employee premium to the 80/20 percent employer/employee premium. The 2012-13 is the final year that the City is at the 80/20 split. Over the last three years the City had a rate lower because General Fund dollars were put toward the Health Care Trust to help subsidize that rate. The premiums were lower and the City was funding the Health Care Trust at a lower rate. Part of that rate is now reflecting what is needed to fund the reserve again. Ms. Lang noted that the health care costs are based on calendar year. The 2012-13 rates include the 2012 calendar year and part of 2013. Due to the overlap, the City does not have the true rate yet.

COUNCILMEMBER ORLANDO asked if the savings are included.

Ms. Lang advised that the 3.5% ongoing savings are reflected in the 5 year projection. She noted that had the City not transitioned to a self-funded plan, the employer premium would have been even greater.

VICE MAYOR WENINGER asked if Council could receive information on how Chandler compares with other comparable East Valley cities and Glendale in terms of sick and vacation accruals.

Mr. Dlugas and Ms. Lang confirmed that staff would get the requested information.

Ms. Lang said that it was recommended by Buck Consulting to put in 10% increases for health care costs for the out years. Such increases are a common trend occurring across the country. She noted that with retirement costs those numbers are pretty large. Ms. Lang said between the Public Safety Retirement Systems (PSPRS) for Police and Fire the average increase is 3.07% for 2012-13.

COUNCILMEMBER DONOVAN asked for clarification on the decrease.

Ms. Lang advised that the first year the projection is the most sizeable increase and on the out years staff built in the 2% a year on PSPRS and 1.5% on Arizona State Retirement System (ASRS).

MAYOR TIBSHRAENY clarified with Ms. Lang that when referring to “retirement costs”, staff means the City’s share of the contribution.

Ms. Lang confirmed that it is the employer’s share.

Ms. Lang explained that the merit and COLA is just a dash all the way across the chart because none were built in for the out years. She advised that Council can plug those items in to see what it does to the numbers.

She explained that staff has been much better at breaking down the details for Line 7 – “Vacancy Savings.” The challenge in the forecast is whether ongoing or one time money is being spent. The line item and element detail of the personnel is what determines ongoing and one time. In 2010-11 the actuals for that year there were 2.5% vacancy savings with the true rate for ongoing and 37% one time. The one time resulted from the large number of employees who took the incentive packages.

Ms. Lang explained that in the current year the projections so far are showing about 2.2% vacancy savings. Staff felt that was a reasonable projection that could be sustained over time.

Ms. Lang explained that the adopted “Ongoing Base Budget” on Line 12 is a little smaller in the preliminary forecast because there was an effort to convert temporary positions to full-time when they should truly be full-time positions. The ongoing base was used to pay and move up into personnel to move the positions to full-time.

Ms. Lang noted that the past few years the City did not project any inflationary increases in the budget forecast because the City was in a reduction phase. Staff has worked to become very lean and efficient. In 2012-13 and 2013-14 the number is the same because the City is still challenging staff to continue to look for efficiencies. Ms. Lang advised that staff does not want to be remiss and say there will not be any increases in the future because it is already known that utility costs are increasing, contractual services, and software maintenance. Those increases are built into the contracts. Therefore, staff looked at a couple of those key expenditures in the City and plugged about \$1.2 million a year in 2014-15 and 2016-17 based on those increases and the trends that staff is seeing. The costs will get absorbed into the base budget.

COUNCILMEMBER ORLANDO asked Ms. Lang to define the ongoing base budget.

Ms. Lang advised that the ongoing base budget is the department’s budgets that are used for Operations and Maintenance costs, excluding personnel.

Ms. Lang explained that Line 13, "CIP Operations and Maintenance" is not a large number. She said that the City has done very well at determining the Operations and Maintenance costs associated with new capital projects. Since there are not many new capital projects, the budgeted number is much smaller. This number is consistent with what was in the adopted budget last year.

COUNCILMEMBER HEUMANN asked for clarification as to what goes into that line item.

Mr. Westrum advised a basic example for "Operations and Maintenance" would be new street projects to include additional pavement, landscape, utilities, new roadway, landscape maintenance, and new street lights. Those items would be added the following year to the base budget. Mr. Westrum explained that the Operation and Maintenance costs don't get added to the budget until after they are approved.

Ms. Lang clarified that the numbers are cumulative.

COUNCILMEMBER SELLERS asked if the ongoing revenue numbers are at 93.7% for the 5 year projection.

Ms. Lang explained that the first year is 93.7% of the total revenues and it increases from 3.3% to 3.0% from the base. Ms. Lang further clarified that it would be the same percentage incrementally between one time and ongoing unless new one time monies are added in the out years, which hasn't happened.

On Line 14, "HURF Shift of Expense to the General Fund," Ms. Lang explained that the City's street expenses are split between General fund and HURF dollars. At some point staff anticipates a transition because HURF revenue has been cut at the State level. She said as those expenditures continue to rise the City also has debt service that is being paid with HURF and a small amount of capital.

Staff may need to move some of those ongoing operating costs from HURF to General Fund. They are not growing at the same rate as the expenditures that are budgeted within HURF. The cut was first projected to happen in 2012-13. Staff now knows it is not going to happen in 2012-13 so it has been pushed out to 2013-14. Therefore, the total expenditures in this forecast are increasing between 3% and 2.7% by the fifth year. The City is still under 3%. The revenue projections slightly increase more than our expenditure projections in this preliminary forecast. Ms. Lang noted that merit and COLAs have not been added and said there are probably additional ongoing base budget costs that are going to be above what staff has entered. They were trying to be realistic to maintain additional ongoing expenditures for the future.

Ms. Lang asked if anyone would like to take a look at adding merit or COLA to the budget.

COUNCILMEMBER Orlando asked to see the expenditure tab.

Ms. Lang displayed the expense side. She provided an example of adding a 5% merit in 2013-14 so that Council could see the numbers. She explained that this is displayed preliminarily adding it in 2013-14 and sustaining it over 5 years. She noted that all of the factors can change and it will reflect in the forecast.

COUNCILMEMBER ORLANDO asked Mr. Dlugas if there was a plan to use some ongoing savings for merits and COLAs.

Mr. Dlugas advised that staff plans to bring those numbers to Council in the next month or so. He said that the plan is to free up some ongoing resources this fiscal year and Council can use those toward employee benefits.

COUNCILMEMBER ORLANDO said without the numbers he felt it was premature to make any decisions at this time.

COUNCILMEMBER DONOVAN asked how much every 1% of merit costs.

Ms. Lang advised it is \$400,000.

COUNCILMEMBER HEUMANN asked how the DROP numbers affect the budget and if staff can provide the numbers associated with the DROP (Public Safety Retirement Program).

Ms. Lang advised the info is received from Human Resources and who is participating in DROP. She said she could get the requested information from Human Resources.

COUNCILMEMBER ORLANDO asked how "Operations and Maintenance" was budgeted for the various departments in terms of trends and asked if the trend is flat.

Ms. Lang advised that they have seen significant reductions over the last couple of years to the ongoing base budget and the numbers are trending flat for the out years, recognizing those increases.

COUNCILMEMBER ORLANDO said that the City has become more efficient through the consolidation of departments and asked Mr. Dlugas if staff is continuing to look for additional efficiencies.

Mr. Dlugas responded affirmatively. He said the City is still looking at better ways to do things and advised that staff has come up with additional ideas that will be shared with Council.

Ms. Lang said that last year in the 5-year General Fund forecast, 2012-13 staff was proposing a \$2.8 million budget stabilization reserve. This year when staff reevaluated the revenues ongoing one time and looked at the expenditures, noted the City is at negative 167,000. Ms. Lang said the City is a much better place this year without the budget stabilization.

VICE MAYOR WENINGER asked if that frees up one time money for this year.

Ms. Lang responded affirmatively.

Ms. Lang acknowledged that there is going to be quite a bit of competition for General Fund balance, which will create a challenge for the Council to keep the reserves were they need to be to continue with our past financial practices.

Ms. Lang turned the presentation over to Mr. Westrum.

5. DECLINING ASSESSED VALUES & IMPACT ON CIP

Mr. Westrum explained that there is a lag between what you see with the City's home values and how that impacts assessed values. For example, in calendar year 2011, Mr. Westrum indicated

that most of the research showed about a minus 4% to a minus 6% drop in home values in Chandler. That will impact the City in 2013-14.

Mr. Westrum explained that a year ago when looking at 2012-13, staff had a pretty good idea that there would be a 10% drop, following a 20% drop in 2011-12.

Ms. Westrum said that staff thought optimistically at the time that the market was at the bottom and start some recovery at the normal growth rate of 4%. In reality, by June 2011, staff learned that the Chandler home values continued to drop. Therefore, staff changed that assumption to -10%, followed by - 5% and then that 4% growth coming on as normal growth in the future.

Mr. Westrum advised that staff has been in continuous contact with the County Assessor to get updated estimates. The projections have been limited. Staff last received an estimate from the County of minus 8.5% for 2012-13 and 5.5% decrease for 2013-14.

He said as it stands now, staff has developed the CIP more conservatively and assuming a minus 10% in 2012-13 and minus 7% in 2013-14; followed by a flat year and then starting to see that growth. We will learn the actual real numbers in February.

COUNCILMEMBER HEUMANN asked for clarification on the projections regarding the projected 4% growth in 2013-14 and current minus 7% now. He also asked about the difference in dollars and bonding capacity.

Mr. Westrum said one might not be a precise comparison, but at that time staff was expecting to sell about \$30 million in bonds with that plus 4%, and now that is not possible.

MAYOR TIBSHRAENY commented that things are improving and used the example of the Intel project coming on line.

Mr. Dlugas confirmed that there are many moving targets and advised that staff is trying to develop numbers that are meaningful for CIP purposes in terms of revenues. He said there is some dependence on the assessed values. Mr. Dlugas indicated that he has asked staff to put that in the projections that could include a tax rate increase in two years. Mr. Dlugas said that was not a proposal, but part of a scenario.

MAYOR TIBSHRAENY asked when we will receive the actual numbers from the County. Mr. Westrum advised that the target date is around February 22.

Mr. Westrum explained that the line chart in the presentation is a graphic representation of what we was just covered.

VICE MAYOR WENINGER asked if the chart takes into account new homes. Mr. Westrum advised that it does not.

Mr. Westrum provided an overview on debt service. The plan includes approximately \$23-\$25 million dollars per year; but starts to fall off toward the out years. The debt service fund which stays at about \$17 million dollars and we continue to draw from that until it goes negative in 2016. Mr. Westrum explained that is a worst case scenario.

COUNCILMEMBER HEUMANN asked if we had to could we use reserve money to offset the costs rather than go to the taxpayers.

Ms. Lang responded affirmatively.

COUNCILMEMBER SELLERS asked at what point this scenario would affect the City's bond rating.

Mr. Westrum advised that a decision would need to be made by next year in order to maintain our current bond ratings.

MAYOR TIBSHRAENY asked if debt can be prepaid. Ms. Lang advised that it could, but cautioned that it does not provide a lot of relief when paying off a 20 year debt.

COUNCILMEMBER ORLANDO asked if staff is working to refinance any of the debt.

Ms. Lang advised that staff has been working with Bill Davis of Piper Jaffray to inquire about refinancing opportunities. She further stated that it has been the City's practice to check into this every six months or so. Ms. Lang advised there are only a couple of small opportunities at this time. She said there is a ratio that must be met to ensure that the savings are large enough to cover the costs associated with refinancing.

MAYOR TIBSHRAENY asked if we were to prepay debt, could specific bonds that might have 2 or 3 years left be reviewed. He also asked if the City could pay more to pay off a particular bond.

Ms. Lang advised that the City could do that.

MAYOR TIBSHRAENY noted that there is one time money in reserves, which could give Council some options.

VICE MAYOR WENINGER asked about paying cash for something instead of receiving bonds.

Ms. Lang advised that investing in capital up front instead of paying on 20 year bonds would be advantageous.

Mr. Westrum provided an overview to CIP alternatives. He said as it stands now there is virtually no ability to sell any additional debt over the next 5 years. The CIP Coordination Team has been meeting to look through all the projects and the possibilities for funding them under current restraints. Mr. Westrum they are working with at least three scenarios and noted that all of the scenarios do retain those key street projects that Council either moved up or funded last year in the CIP. It also keeps Roadrunner Park and Centennial Park, which were moved up in the CIP last year. Those projects can happen through the impact fee funded projects. There are either balances on hand or enough cash to pay for those projects without having to bond.

COUNCILMEMBER HARTKE asked for clarification on particular street projects.

Mr. Westrum confirmed that the southeast Chandler streets: Gilbert Road, a couple of sections of Ocotillo Road, and McQueen Road are included on the list identified as high priority locations last year by R.J. Zeder, Transportation and Development Director.

Mr. Westrum indicated that Fire Station No.1, the Police Driver Training Facility, and the Museum are 100% bond funded projects. He advised that for now each of those projects have been

pushed further out. However, if Council would like to see any of them in the 5 year projection, that request can be built into the scenario.

COUNCILMEMBER HARTKE asked if the Museum or Police Driving Training Facility could be paid for through impact fees.

Mr. Westrum stated that impact fees could not be used for either project.

COUNCILMEMBER SELLERS asked Fire Chief Clark if there is a significant amount of consolidation savings associated with the relocation of Fire station No. 1.

Chief Clark advised that approximately three years ago another fire station was removed from the planning scenario. Originally, there were plans to build two, now the plan is to build one with this relocation. Chief Clark advised as long as the relocation happens within the growth plan the savings will be realized.

Mr. Westrum explained that the Committee is looking at what they would like to have under the full funding scenario, a moderate level in line with what Council approved last year for park maintenance, street repaving and other projects, and the third scenario is living with what the City currently has and not adding to the General Fund, using infrastructure maintenance reserve and nothing else.

MAYOR TIBSHRAENY asked if Council could utilize the General Fund. Mr. Westrum responded they could.

MAYOR TIBSHRAENY advised that while it is difficult to project out two years for the assessed valuation period he believes Council will take a much stronger look at utilizing General Fund dollars in order to keep the tax rates lower.

COUNCILMEMBER HARTKE commented on scenario no. 3 related to CIP. He mentioned that the City has been very lean for the past couple of years. If there is some increased road maintenance or needed improvements now that there is money for that would it fall under scenario 2 or 3, or both.

Mr. Westrum advised it would be closer to scenario no. 2 . He said that would not satisfy what Mr. Zeder believes he really needs for street maintenance.

Mr. Dlugas indicated that information is being compiled and maintenance on parks and roads is essential. By keeping up on them the City will save money in the long as opposed to letting them fall apart.

MAYOR TIBSHRAENY said that once Council learns what is available, they can have discussions to help make decisions regarding parks and park maintenance. He commented that the Council might want to utilize money to maintain current parks rather than create new parks in order to maintain the high standards. He also suggested looking at Federal grants to help with some of the costs.

Mr. Westrum advised that grants are included in some of the projects.

