



**City of Bisbee, Arizona**  
**2010 Annual Report**  
**Stephen J. Pauken, City Manager**

February 4, 2011

Mayor Porter and Members of City Council:

On behalf of the entire staff, I am proud to present an annual report of the accomplishments of the City of Bisbee for the calendar year 2010. It was a positive year for the people of Bisbee in terms of infrastructure maintenance and planning while right-sizing our team of employees to lead this city into the future. Along the way, we also managed to accomplish a few things and maintain a strong fiscal position so that we can meet the challenges of the fourth consecutive year of deep recession. Our fiscal strength, while having improved over the last five years, has been tested by reductions in State Shared Revenues two fiscal years in a row (with good prospects for a third), but we've been adapting to our changing economy as we go along.

I have now completed my fifth year as City Manager. I feel a greater sense of confidence in our employees, and an ability to provide a high level of service with a shrinking workforce. The long recession has taught us to be more efficient and more cost effective to remain responsive to city priorities. Our basic priorities are to provide essential services to the people of Bisbee, plan for future growth and development, and ensure our fiscal future. We have succeeded in accomplishing all of these priorities, but the long period of shrinking revenues makes each year more difficult. This report will reflect on the ways we have made this city work, and conclude with some observations on ways we can achieve greater things in the future.

In no particular order of importance, the accomplishments of the various departments of the city of Bisbee are as follows;

City Manager's Office

The City Manager is directly responsible to the Mayor and City Council. Under the council-manager form of government, the manager is expected to run the day-to-day operations of the city while following and implementing the direction of city council. Among the achievements of the city manager's office are;

- Supervised all city department heads to ensure the smooth operation of the city.
- Advised the Mayor and City Council on policy matters and financial issues.
- Served as a member and Secretary of the Upper San Pedro Water District Organizing Board which is charged with establishing a new district to ensure the future of water resources within the Sierra Vista Sub-watershed.

- Continued a fuel reduction policy into the third year for all city vehicles to reduce both the city's costs for fuel and to reduce our carbon footprint. Since its inception, fuel reduction has exceeded 15%. We continue in this effort to achieve continued fuel reduction.
- Continued to serve on the Freeport McMoRan Community Partnership Panel. This panel exists to help determine how the company provides financial assistance to the community.
- Continued to serve on the Freeport McMoRan Citizens Advisory Group for mitigation of the sulfate plume that endangers our drinking water resources.
- Served as Chairperson of the Cochise County Solid Waste Rate Review Advisory Board and Economic Development Advisory Board, which is into the third year of establishing a county-wide recycling program, and improving regional economic development efforts.
- Negotiated the settlement of a long and contentious dispute with the Border Cities Land Corporation, avoiding more expensive litigation and setting the stage for cooperation.
- Negotiated an agreement with Arizona Ambulance Company, allowing them to place a unit within the city while protecting the city's interest as first-responders to our residents.
- Arizona Street; we had to put intense personal effort into bringing this project back from the verge of ruin to a finished design, leading to actual construction in 2011.
- Fiscal 2010-11 Budget. The City Manager is charged with the responsibility to bring forth an annual budget to the City Council for adoption. Together with the Finance Department and the operating departments, we worked with each other and the city council to adopt a budget that is serving the people of Bisbee. While we recognize the limitations of our available resources, we are providing the best services we can offer within those constraints. We managed to complete the previous fiscal year (on June 30, 2010) with a very small operating deficit of \$28,000 even though we had projected a need to tap into reserves to the tune of \$328,752. The current budget projects a \$378,460 operating deficit but we will continue to stress opportunities to generate additional revenue while trimming expenditures wherever possible. Half-way through the current fiscal year we are showing a moderate deficit, so our strategy is working, but as we move into the second half of the fiscal year, we may have to employ more significant reductions to stay within our budget.

### City Clerk's Office

The City Clerk is responsible to the Mayor and City Council. In this role, the Clerk provides all city record keeping and retention services, provides public records to the public and the news media, works with the Mayor to establish City Council meeting agendas, provides City Council with meeting packets and incoming correspondence, operates as the first point of contact at city hall for all citizens and serves in the role of chief elections officer for the city. Among the achievements of the City Clerk's office are;

- City Clerk, Gloria Gonzalez, was promoted to her present position after ten years as the Deputy City Clerk.
- All City Boards and Commissions' rules, regulations, protocols and procedures continue to be reviewed, revamped and revised.
- The City Clerk's Department continued to perform all Web Site maintenance, posting and publishing and Channel 5 production (government channel). Additionally, this office has continued to update Project Status Reports, maintenance of monthly calendar for Boards and Commissions and meeting room scheduling.
- Continued support of the Mayor and Council activities and priorities.

## City Attorney's Office

The City Attorney is responsible to the Mayor and City Council. The Attorney provides legal counsel to the City Council and the city staff, and defends the city against all lawsuits and claims. The City Attorney is also responsible for drafting ordinances and resolutions for consideration by City Council, and serves as staff liaison to the Municipal Property Corporation along with serving as legal counsel to the Planning Commission. Among the achievements of the City Attorney's office are;

- Assisted with the BCLC settlement and Arizona Ambulance agreement.
- Assisted Council, staff and the various Boards and Commissions on all legal matters.
- Worked with the Community Development Department to update city codes and worked with the Planning and Zoning Commission to draft recommendations to the Mayor and Council.

## Finance Department

The Finance Department, headed by the Finance Director (who also serves as the City Treasurer) is responsible to the City Manager. The Finance Department provides all of the accounting functions for the city, provides all utility billing functions, tracks all accounts payable and receivable, administers debt service, provides support in the formation of the city budget to the City Manager, and serves as the liaison to the Finance Committee. The Finance Department is also involved in financial analysis and in enforcing the city codes relative to fair collection of city fees and taxes. Among the achievements of the Finance Department are;

- Completed the independent financial audit of Fiscal Year 2009-10. This audit was presented to City Council in December, 2010. This audit showed that the city is in *very* solid financial position. Once again, there were no findings of material defect in the city's financial reporting. This adds confidence to public trust and transparency in our finances.
- Our financial position continues to improve. While we ended the 2005-06 Fiscal Year with a \$36,000 General Fund deficit, we rededicated ourselves to end the deficits and completed the 2006-07 Fiscal Year with a \$140,000 surplus. We continued this feat by ending the 2007-08 Fiscal Year with an additional \$207,000 surplus, the 2008-09 Fiscal Year with a \$40,000 surplus. While the 2009-10 Fiscal Year ended slightly below break-even, our five year track record is a remarkable achievement given the long financial recession.
- Our financial reserve in the General Fund is \$1.776 million, only slightly lower than \$1.787 million in the prior fiscal year. While we should be thankful we maintained our reserves in this very poor economy, we anticipate being in the area of \$1.4 million in reserves through the rest of the fiscal year.
- The Finance Department has aggressively collected delinquent garbage and sewer bills. We have collected those that we can, and have placed liens on all of the other properties who refuse to comply, resulting in increased revenues and compliance. We also removed sewer hook-ups to several properties, and collected several delinquent bills with this threat.
- Continued to provide a high level service even though the department had one person on long-term disability for over six months.
- Worked more closely with other members of the management team to ensure a higher level of fiscal responsibility in our day-to-day operations and capital improvement projects.

Goals for the next year include working more closely with management staff to present a reasonable, fiscally responsible budget to operate the city while maintaining a basic level of service, and greater staff development in anticipation of another retirement in this department (the second in as many years). Continued improvement in sewer and garbage collections will continue.

### Personnel Department

The Personnel Department, headed by the Personnel Director, is responsible to the City Manager. With 90 employees and a large array of personnel-related issues, this department is responsible for implementing the terms of the Personnel Rules and Regulations, assisting our employees with getting the most out of our benefits package, working with our benefits consultants to obtain the best possible benefits for the least possible cost, recommending to the City Council all changes necessary for best delivery of employee services and serving as the liaison to the Civil Service Commission. The Personnel Director is also responsible for administrative support to the City Manager and the City Attorney, which effectively makes this a dual position. Among the achievements of the Personnel Department are;

- The chief accomplishment of this department was the certification of the Personnel Director, Jennifer Graeme, as a Professional in Human Resources (PHR).
- Continued to revise and update our Personnel Rules and Regulations, with changes and improvements to sections on Paid Time Off (PTO), Equal Employment Opportunity and Grievance Procedures.
- Approved a myriad of revisions to existing job descriptions and approved two new position descriptions, one of which was actually filled.
- Filled four key positions in our organization; Gloria Gonzalez as City Clerk, Ashlee Coronado as Deputy City Clerk, Andy Haratyk as Sanitation Supervisor, and Christie Jensen as Executive Assistant in Public Works. We are indeed fortunate to have them all.
- Unfortunately, there were four employees who had to be terminated from the city staff this year, three of which required a great deal of investigation and staff time to conclude successfully.
- We continued to take a proactive role in managing employee health and insurance benefits. We continued the two-tiered health insurance option for employees, including a base plan and a “buy-up” plan for those who wanted additional benefits at their own expense. This minimized the financial impact to the city.
- Continuing employee education was completed in the following areas: “Creating a respectful work environment”, Creating a respectful work environment for Supervisors”, “Nutrition”, “Fitness & your brain: avoiding dementia”, “Creating work-life balance”, “Heart Health”, and DOC Supervisor Training.

Goals for 2011 include assisting the Public Works Department fill two key supervisory positions, continuing to update job descriptions as necessary, negotiating the best possible and most cost effective insurance benefits for FY 11-12, continue to provide employee education and to revise Personnel Rules and Regulations as needed.

### Community Development Department

The Community Development Department, headed by the Community and Economic Development Director, is responsible to the City Manager. This department provides a multitude

of services; planning and zoning, building inspection, economic development, visitor and tourism services, Queen Mine Tour, transportation services, and grant writing and administration. This department also provides staff support to the Planning and Zoning Commission, Board of Adjustment, Design Review Board, the Bisbee Arts Commission and the Committee for Disability Issues. Among the department's achievements are;

- The continued work toward completion of the Cochise County Association for the Handicapped facility and the Ace Hardware store. Both of these facilities are now open and functional.
- The Visitor Center saw continued success for tourism in this city. Visitor traffic ended up flat and website visitors continued to increase in 2010. This trend continues into 2011. The lodging sector continues to be depressed, indicating most visitors are day-trippers.
- The Queen Mine Tour gift shop continues to be profitable in all respects, with revenues from gift shop sales rivaling revenues from tours.
- Assisted other departments in the preparation of grant applications.
- Lead the effort to obtain funding for window and door replacement at City Hall.
- Took the lead role in working with all segments of the community on the "bag ban".
- Worked with merchants on Subway Street to better identify their businesses.
- Coordinated the effort to recognize the 75<sup>th</sup> Anniversary of the Copper Miner Statue.
- Embarked on the long process of dealing with the parking issues in Old Bisbee.
- "Social Networking". Each division has now taken advantage of this power media, providing us with another way to keep the public informed and encourage participation in local government.
- Continued working with a wide variety of investors, developers, and builders in an effort to encourage smart growth and development within the city.
- The number one priority for this department in 2011 will be the formation of a long-term economic development strategy. This will involve great effort on a community-wide basis.

Goals for the coming year in Community Development include implementing Development Impact Fees, continuing with the preservation plan for City Hall and the Library, expansion of the historic district in Old Bisbee, the update of Design Review Guidelines and continued efforts to provide a high-quality tourism experience for our visitors.

### Public Works Department

The Public Works Department, headed by the Director of Public Works, is responsible to the City Manager. This department has numerous divisions, including the Wastewater Division, Sanitation Division, Street Division, Fleet Maintenance Division, Parks and Recreation Division, Building Maintenance Division, Airport Division, and Public Works Administration. This department oversees operations that involve expenditures from the General Fund, Streets Fund, Sewer Fund, Sanitation Fund, and the Airport Fund. This department also provides staff support to the Parks and Recreation Advisory Commission, the Airport Advisory Commission, Youth Commission and the Cemetery Committee. Easily, this department is responsible for the greatest amount of operating expenditures of all city departments. In addition to routine maintenance and capital improvements, the department responded to 1513 requests for service by the public. Among the department's achievements are;

- Our new Public Works Director, Tom Klimek, took over the management of Public Works in June of 2010 after the retirement of Russell McConnell. Tom came to work with us in 2009 in anticipation of Russell's retirement. Tom has successfully moved the department to higher level of expectation for excellence, and has reorganized personnel in several divisions to improve our effectiveness and efficiency. While this is still a work in progress, we expect the responsiveness and efficiency of Public Works to continue into the future.
- At the Fleet Maintenance Garage, we continued to service and repair fleet vehicles and heavy equipment, along with outsourcing much of our work to Cochise County and the City of Sierra Vista. This arrangement continues to reduce costs in fleet services.
- The Wastewater Division has adopted a new motto; *Fix it right the first time*. Many older sewer lines are now being replaced that had previously only been cleared of obstructions even though they were compromised. New this year, we have successfully measured actual flows of several large users in an effort to accurately bill these accounts. As well, we began disconnecting grossly delinquent sewer accounts that refuse to pay their fair share of the cost of treating wastewater, and collected from a few other accounts that were placed under the threat of disconnection. Late in the year, we lost the Wastewater Superintendent but are actively recruiting a new person to fill this role.
- In the Street Division, the most difficult task was to keep an adequate number of employees on the payroll to address the needs of this community. Due to a reduction in HURF revenues of \$126,000 over two years, we continued to operate the Street Division by reducing the number of employees from seven to four through attrition. Despite the reductions, we have continued to address the needs of the community by instilling a stronger work ethic in our employees and reorganizing the leadership and support staff.
- Also in Streets, we continued the frustrating task of rehabilitating and repaving Arizona Street (the major arterial road through the Warren District) with grant awards from the Federal Transportation Improvement Plan and the Transportation Enhancement Plan. Late in 2010, we were finally able to receive all of the clearances necessary for the FWHA to commit the grant funds for the construction, and the contractor was selected by ADOT in December. We hope to have construction completed by the 4<sup>th</sup> of July.
- The Sanitation Division continued to provide refuse collection, while also responding to 534 work orders for yard waste collection. Under new leadership from Andy Haratyk, time and motion studies were completed and collection routes were revised to reduce the time necessary for collection by over 50%. The process of reducing collection of garbage to one day per week was initiated, with full implementation expected in 2011. In addition, maintenance and repair of dumpsters is being performed routinely. For the second consecutive year, there was no rate increase for trash collection.
- Improvements in the recycling program were highlighted by the placement of new drop-off stations in two key areas; Old Bisbee in the upper parking area, and Warren on the lower Vista Park. Improved access to recycling has increased the demand to the point that we have re-deployed the resources of the Sanitation Division to meet this demand.
- Continued the process of providing sewer and wastewater service to the residents of Tintown. The Border Environmental Cooperation Commission (BECC) has hired a consultant to conduct additional engineering. The anticipated cost of this project is \$4 million.
- In the Parks and Recreation Division, we entered the third year of programs by empowering the Coordinator to establish additional youth activities during breaks in the school year. As a result, the youth of Bisbee were able to participate in additional new

activities never held before. Best of all, these new activities were established without additional cost to the city.

- Bisbee Municipal Airport improvements. We completed the Airport Master Plan study, and will be bringing the final document to City Council for final approval early in 2011. Additionally, improvements to our fuel farm and maintenance equipment were approved by City Council. We no longer have contract airport management due to budget reductions, but we have been able to continue providing services to our airport patrons by using existing city employees, primarily in the Wastewater Division.

Goals for the coming year in Public Works include improving customer service, quality of work, re-organization of management and operations, and re-building confidence of the people of Bisbee.

### Police Department

The Police Department, headed by the Chief of Police, is responsible to the City Manager. This department is responsible for all law enforcement activities, including patrol, investigations, drug interdiction, School Resource Officer, community policing, animal control, and the Animal Shelter. Additionally, this department plays a vital role in incident command for disasters and a cooperative role with the Department of Homeland Security. Among the department's achievements are;

- Continued to make progress cutting operating costs by limiting patrol vehicles to 75 miles per shift, and has now reduced fuel consumption by 15% over the two years of operation.
- Continued to pay down the debt for the purchase of nine new police vehicles in 2007 using the proceeds from RICO auctions. It is anticipated that we will pay off this debt more than one year earlier than scheduled.
- Successfully passed audits from the Department of Homeland Security and ACJIS.
- Obtained \$193,000 from Operation Stonegarden to fund \$130,000 in police officer overtime, \$15,600 in mileage reimbursements and \$47,400 for mobile computer terminals in five vehicles, along with entry vests and ballistic helmets.
- Awarded a \$160,500 Border Security grant to fund future overtime and benefits, mileage reimbursement, and one off-road SUV for law enforcement operations.
- Sold the office trailer previously obtained from the Border Patrol at auction for \$5,000.
- Assisted the County Attorney's office in auctioning their impounded vehicles. This assistance generated \$79,005 that will be deposited in the RICO Fund.
- The Spillman Technologies record keeping and computer-aided dispatch system is up and running. There is still much to be done in order to equip all of the public safety vehicles, along with additional training for Police and Fire personnel
- Phase III of the radio system upgrade is complete, and operates as a fully digital system for the Police Department. We are also working on future requirements of the FCC for bringing digital communications to the Fire Department.
- The shooting range, located at the former Warren Wastewater Facility, is currently in use. With assistance from Public Works and Freeport McMoRan, earthwork and drainage were performed at the site. Some fencing still needs to be accomplished.
- In the wake of last year's resignation of the Deputy Chief, the department management was reorganized. Sergeants Reyna and Maddux were designated as Administrative Sergeants with specific responsibilities that eliminated the need for a Deputy Chief.

Goals for the coming year include rededicating the department to meet fuel consumption reduction goals, re-activate the bike and walking patrols when the weather permits, plan and execute the July 4<sup>th</sup> activities to follow National Emergency Communication Plan (NCEP) standards, re-visit the Policy and Procedure Manual for possible updates, finish paying off the police cruiser loan, work hard to find ways to cut the budget and increase revenues, and to continue to protect and serve the people of Bisbee.

### Fire Department

The Fire Department, headed by the Fire Chief, is responsible to the City Manager. This department is responsible for fire suppression, rescue, investigation, prevention, and emergency medical services. This department also provides inter-facility transfers of patients to hospitals in Sierra Vista, Tucson, and Phoenix. Additionally, this department plays a vital role in incident command for natural and man-made disasters.

One of the unique features of the City of Bisbee is our full-time Fire Department. Almost all of the cities in the United States of our size operate with a volunteer fire department. After the great fire of 1908, this city decided that we should have a full-time fire department, and that tradition continues to this day. While the cost of this service is prohibitively high, we supplement this cost with our EMS and inter-facility transfer services. Without this service, which funds up to 2/3 of the department's budget, we could not continue to uphold this tradition.

Among the achievements of the Fire Department are;

- Generated over \$1,000,000 in revenues through EMS and Interfacility Transfers.
- Awarded a grant from the Bureau of Land Management of \$17,000 for wild land fire fighting personal protective equipment.
- Purchased a new ALS Ambulance, increasing our fleet to five units.
- Purchased a new, state-of-the-art heart monitor for the new Ambulance that is compatible with all hospital Emergency Department equipment.
- Trained and certified two new paramedics from within the department's ranks.
- Received approval for an increase in ambulance charges from ADHA.

Goals for the coming year include continuing to provide high-quality firefighting and emergency medical services to our community, continue to pursue funding for a new engine at Station 82, purchase an additional Ambulance to bring our fleet up to six units, enroll two more firefighters in the paramedic program, Hire additional personnel to deal with the increased demand for Interfacility Transfers, and host a Fire Inspector training class to enhance our fire inspection program.

### Copper Queen Library

The Library, headed by the Library Director, is responsible to the City Manager. This department is responsible for all operations attendant to libraries. It is unique to Bisbee that we have a library that is owned and operated by the city. Many communities of this size do not. We are fortunate to have this resource for the benefit of our people. Among the achievements of the Library Department are;

- For the third year, implemented a reporting model for measuring performance, which shows a “Return on Taxpayer Funding” of 7.8:1, up 5% from the previous year. This is an amazing return on the taxpayer dollar.
- Continued to successfully utilize “job sharing” as means to staff the library with qualified people on a flexible basis.
- Maintained a registered borrower list of 6,687 out of 6,500 city residents.
- Total attendance at the Library was 47,568, and a total circulation of 57,922 items.
- Total circulation of children’s materials was 7,845 items.
- Had total attendance at Library Programs of 2,522.
- Number of users at the 12 public Internet Terminals was 13,833 persons.
- Number of online catalog searches was 39,650.
- Number of hits to the Library website was 39,663.

The continued increases in Library statistical data reflect the popularity of the Library as a public resource, but may also reflect the deteriorating state of the economy as recessionary times continue. Remarkably, the Library is a public resource that can provide service to the community in good times and bad times.

Looking ahead to 2011

We are looking forward to another great year in 2011. There are many challenges ahead; continuing to rebuild our infrastructure, continuing to support Tourism as our core industry, diversifying our economy through new opportunities, improving the quality of municipal services we provide, paying for the wastewater project, dealing with new development, increasing our tax base and remaining fiscally sound.

It cannot be overstated, however, that the continuing deep recession, the deepest since the Great Depression of the 1930’s will have a significant impact on our ability to raise revenues and provide services to the community. Significant cuts in personnel occurred for the first time in my career during 2010, and the year 2011 will continue to bring the city reductions in state shared revenues and increased pension and insurance costs. All of this will determine just how good we are at administering our financial affairs.

Finally, I want to emphasize that the accomplishments of 2010 are the product of a large number of people. The Mayor and Council, city staff, many people who serve on our large number of boards and commissions, and hundreds of volunteers throughout the community have all played a part in our success. The city government cannot do everything, but there are large number of events and fundraising activities each year that contribute to this success that make the difference between a good community and a great community. We are a great community because many people go the extra mile to improve our quality of life.

Sincerely,



Stephen J. Pauken