



City of Goodyear

Meeting Minutes

City Council Work Session

Mayor Georgia Lord
Vice Mayor Joe Pizzillo
Councilmember Joanne Osborne
Councilmember Sheri Lauritano
Councilmember Wally Campbell
Councilmember Bill Stipp
Councilmember Sharolyn Hohman

Meeting Location:
Goodyear Justice Center
14455 W. Van Buren St.,
Suite B101
Goodyear, AZ 85338

Monday, May 4, 2015

5:00 PM

Goodyear Justice Center

1 CALL TO ORDER

Mayor Lord called the Work Session to order at 5:03 p.m.

2. ROLL CALL

Present 6 - Mayor Lord, Vice Mayor Pizzillo, Councilmember Osborne, Councilmember Lauritano, Councilmember Campbell, and Councilmember Hohman

Absent 1 - Councilmember Stipp

Staff Present: City Manager Brian Dalke, City Attorney Roric Massey, and City Clerk Maureen Scott.

3. AGENDA ITEMS FOR DISCUSSION:

- 3.1 [15-5590ws](#) Council will receive information on and discuss the estimated fiscal year 2015-16 (FY16) draft budget.

Brian Dalke, City Manager, began the presentation. He gave an overview of the budget process. This process has included over twenty hours of meetings with Council to obtain necessary information and feedback in order for staff to be able to present a balanced budget for adoption. There is a Public Budget Forum scheduled on May 6th at 6:00 p.m. at the Justice Center.

The tentative budget adoption is scheduled for May 18th. The final budget will be adopted on June 22nd, and the property tax levy will be adopted on July 6th.

Dalke reviewed the FY16 budget preparation process. Finance meets with each department on a quarterly basis in order to monitor spending patterns and potential cost savings throughout the year. City staff work hard to control costs. Any identified cost savings allows some flexibility within the budget to address any challenges that come up.

There is an increasing level of review involved with the department Supplemental and Capital Improvement Program (CIP) requests. Finance and Engineering meet with the departments to

"drill down" the cost estimates and determine the scope of the the requested projects. This has been a work in progress in previous years, and staff is working to improve the process for future budgets.

Budget Highlights:

- >Asset Management and Preservation - having an Asset Management Program in place
 - >Investing in Employees - trying to move employees up to market salary range; also investing in training and technology
 - >Prepare for Development - housing permits are trending up
 - >Economic Development - \$400K in one-time funding for economic development, and doing a mid-decade census count
 - >Positions
 - *Three new positions
 - *One temporary to full-time conversion
- (1-1/4 positions are funded by the General Fund, and 2-3/4 positions are funded by Enterprise Funds)

Council Comment:

>This is the fourth year that we have put money aside to cover the principle payment for the ballpark if the AZSTA (Arizona Sports & Tourism Authority) does not come through with any money.

Councilmember Osborne arrived at the Work Session at 5:15 p.m.

Dalke introduced Lauri Wingenroth, Budget and Research Manager, who continued with the presentation. She gave an overview of the recommended operating budget. She reviewed the citywide revenue and the General Fund revenue.

Recap of citywide and General Fund revenue:

- >FY16 Estimated Citywide revenue - \$166.6M (General Fund comprises 49% of the budget for a total of \$82.9M)
- Other resources that support the General Fund - \$2.8M Enterprise Fund transfers, \$26.1M is the estimated roll-over fund balance/contingency; \$150K from towing
- >Overall percent change for General Fund Revenue for FY15 to FY16 Budget is 5% (Ongoing revenues have increased, but development-related revenue has decreased. Next year's development-related revenues have been reduced due to conservative budget planning policies.)

Wingenroth reviewed changes to the Property Tax Levy. The Primary and Secondary property tax levies are increasing for a combined total of approximately 4.9% from this year's budget. This includes a 3% increase associated with new construction, and a 1.9% increase associated with existing properties.

Uses of ongoing resources: (Policy ensures that we don't fund ongoing costs with one-time resources)

- *Staff has identified that there are \$7.8M in ongoing resources that could be used to add

ongoing costs.

>One-time Expenditures - \$3.6M, includes \$2.7M in PIC (Public Improvement Corporation) set-aside funds

>Ongoing Expenditures - \$4.2M, used to pay for ongoing costs

FY16 Expenditure Overview

FY15 & FY16 Department Budgets - General Fund:

Wingenroth reviewed the departmental and non-departmental budgets in the General Fund.

>Total FY15 Budget - \$72,349,315 (Total includes non-departmental: \$4,832,799, Reserves: \$7,650,000)

>Total FY16 Budget - \$72,229,756 (Total includes non-departmental: \$2,958,500, Reserves: \$4,438,000)

Council Comment:

>**Asked for clarification on the differences between the non-departmental and reserve budgets.** Wingenroth explained that this is one of the areas where carryovers come into play. Carryovers are reflected in the FY15 budget, but are not reflected in the FY16 budget. The main reason for the non-departmental difference is that there is a \$1.3M item that is related to job credits. These are job credits that we are committed to in the future for development, and other related agreements. The FY15 Reserves includes the \$5M that was set aside for the Asset Management Program, as well as IT and Fleet reserves that were planned in this year's budget.

FY15 & FY16 Department Budgets - Other Funds:

>HURF - Streets (FY15 - \$5,982,932; FY16 - \$5,176,231)

>Stadium (FY15 - \$4,185,780; FY16 - \$4,280,208)

>Sanitation (FY15 - \$5,829,185; FY16 - \$6,292,736)

>Water/Water Resources (FY15 - 5,680,424; FY16 - \$7,183,200)

>Wastewater (FY15 - \$5,136,764; FY16 - \$4,252,560)

Recommended New Positions (Four positions being requested):

*Police Department-Records Specialist (Associated with body cameras and records requests)

*Public Works Department-Director of Public Works (Multi-funded - 1/2 General Fund, 1/4 Water, 1/4 Wastewater, 1/4 Sanitation)

*Sanitation-Sanitation Worker I (Conversion of contracted employees to full-time)

*Sanitation-Sanitation Worker II (Position associated with the Sanitation Container Program)

Wingenroth reported that the count of full-time employees per 1,000 of city population in FY15 is currently 7.18. In FY08, we peaked at 9.71 employees per 1,000. With the addition of the four proposed employees in FY16, we will be at 6.91 per 1,000 population.

Council Comments:

>**This is a great efficiency measurement. Kudos to the staff on what they have accomplished with less employees. Fixed costs are going up, but the actual employees are less than what was comparably funded six years ago.**

>**Asked for population numbers over those six years.** Wingenroth responded that in FY08 population was about 56,000. Staff is projecting about 77,000 for next year (33% increase in

population).

General Fund Supplemental Highlights:

- *Asset Management Program
- *Temporary staffing for development related peaks
- *Storm water management program
- *Right of way landscaping and maintenance
- *Economic Development

CIP Overview:

Wingenroth reviewed the CIP by program. The total ten-year (FY16-24) CIP is \$323.3M. The FY16 CIP is \$24.1M. She reviewed some of the large CIP projects.

Key Project Highlights (FY16):

- >Community Recreation (Multi-Gen) Center - \$1.3M
- >Police Operations Building (Phase 1) - \$3.0M
- >Sarival: Portland to Van Buren - \$2.7M
- >Design for Van Buren Street: Estrella Parkway to Sarival - \$300K
- >Two new traffic signals - \$1.0M
- >GWRF (Goodyear Water Reclamation Facility) Expansion - \$1.4M

Approximately 50% of the CIP budget comes from the General Fund, and the balance is made up of Impact Fees, and revenues from the Enterprise Funds.

Council Comments:

>**When are operating costs for CIP projects budgeted?** Wingenroth stated that a five-year fund forecast is done that includes the CIP. They look at any upcoming projects that will have substantial operating costs that need to be planned for. Departments are also asked to submit a report of operating costs for any proposed new facilities.

>**Asked for clarification on how Impact Fees are estimated. Are we funding one-year behind, or are we anticipating what the funds will be?** Wingenroth responded that staff anticipates impact fee revenue, but review available funds before going forward with projects that are impact fee funded. There is a staff CIP Committee and a staff Growth Committee. Those committees review impact fees, and do a comparative analysis with planned projects on a quarterly basis.

Water Projects Pending Rate Study - \$7.2M:

- *Assessed value of the Adaman Well
- *Groundwater Well Siting Study
- *Oversizing lines
- *Differential Impact Fee credits
- *CAP (Central Arizona Project) Direct Delivery with EPCOR

These projects are included in the budget, but will require Council approval of the new rate plan before the items are funded.

Council Comment:

>Wants to make sure that any debt financing for water projects will be funded by the new water rates.

Debt Service by funding source:

Total Debt Service - \$25,693,920 (Already issued debt - there is no new debt)

Wingenroth reviewed some of the key budget policies relating to operating funds, debt management, revenue, and the capital budget.

New Budget Policies:

- >Asset Management reserves will be established, funded, and used to replace and preserve General Fund assets consistent with department plans.
- >Enterprise fund asset management requirements will be incorporated in multi-year forecasts and plans.

Council Comments:

- >As a whole, we have done a very good job coming up with policies that set aside funds for the ballpark, and debt service.
- >Staff and Council have done a fantastic job with the policies.
- >Thanked staff for all the effort put into this budget.
- >Doesn't think another work session is necessary.
- >The detail in these presentations was very good. The presentations are at the level that Council needs, and that the public would like to see.
- >The budget information has been presented in a way that is very understandable.

4. INFORMATION**1. Comments, Commendations, Report on Current Events and Presentations by Mayor, Council Members, staff or members of the public.****Council attended or reported on the following:**

- >Geared for Growth. It was very well organized, and received lots of compliments. Many people from all over the valley attended.
- >This week is National Small Business Week.
- >Councilmember Campbell was elected to the Board of Directors of the Community Information Referral Board.
- >Southwest Lending Closet is having an open house on May 7th at 9:00 a.m.
- >Thanked Goodyear Police and Fire first responders for assisting a family in a terrible accident on Friday evening.

2. Manager's Summary of Current Events and Reports**1. Manager's Update on Council Related Matters:**

- >Recognized that May 3rd - 9th is the 46th Annual Municipal Clerks' Week.
- >May 15th is National Peace Officer's Memorial Day & the entire week is recognized as

National Police Week.

>Sgt. Joe Pacello and Officer Jamie Benker are riding with Team Arizona in the 2015 Police Unity Tour, which is scheduled for May 9th - May 12. This is a 250 mile bicycle ride that begins in Portsmouth, Virginia and ends at the National Peace Officer's Memorial in Washington, DC.

>The 5th Annual Guns and Hoses Charity Golf tournament was held this past weekend at the Wigwam Resort, and raised over \$15,000.

2. Update of Legislative Issues:

None.

3. Staff Summary of follow up action required:

None.

4. Council members may direct inquiries to staff:

None.

5. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Work Session at 6:16 p.m.

Maureen Scott, City Clerk

Georgia Lord, Mayor

Date: _____