



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, February 23, 2015

4:30 PM

Goodyear Justice Center

1 CALL TO ORDER

Mayor Lord called the Work Session to order at 4:30 p.m.

2. ROLL CALL

Present 5 - Mayor Lord, Vice Mayor Pizzillo, Councilmember Lauritano, Councilmember Stipp, and Councilmember Hohman

Absent 2 - Councilmember Osborne, and Councilmember Campbell

3. AGENDA ITEMS FOR DISCUSSION:

- 3.1 [15-5553ws](#) Staff is seeking Council direction on the City of Goodyear Community Funding program which provides direct monetary grants to non-profit agencies and organizations that provide health, human services and quality of life programs to Goodyear residents.

Christina Plante, Neighborhood Services Coordinator, and Rob Bohr, Intergovernmental Relations Manager, presented. Effective January 2015, implementation and oversight of the Community Service Funding process has transitioned to Neighborhood Services.

In 2001, the City Council adopted a resolution that formalized the community funding process and approved a funding mechanism whereby the "Community Relations Funding Program" would be increased each year based on the percentage of growth of retail sales tax between the prior two calendar years. The resolution also established \$1,500 as the maximum level of funding for first-time applicants. The initial funding allowance was set at \$12,666.

A council subcommittee process established in Fiscal Year 2005-06 tasked three council members with evaluating applications on the merits of the type of service provided, the number of Goodyear residents served and the cost per resident for that service, and making a funding recommendation.

Beginning Fiscal Year 2014-15, a human services Intergovernmental Agreement (IGA) with Avondale obligated \$42,000 to be paid out to Avondale annually, no longer requiring the Care

1st Avondale Housing & Resource Center or the Avondale Senior Center, each which serve Goodyear residents, to compete for community funding dollars.

Current budget practice has been to request a supplemental general fund allocation with the following control: "Community Relations annual budget will be limited in its growth. Increase will be no greater than the percentage of growth in retail sales tax from prior two calendar years."

The Fiscal Year 2014-15 budget for Community Service Funding was set at \$114,400. \$83,000 was awarded. There is an unobligated balance of \$31,400.

Plante provided information on what other cities do, comparing population, income percent per capita, poverty percentages, general funds and utility funds.

Questions for Council:

- >Should we establish specific funding priorities?
- >Should faith-based organizations be eligible to compete?
- >Would it be appropriate to affirm/establish a funding mechanism to determine how much we have each year?
- >Should we establish a minimum award amount?
- >Should we continue collecting contributions through the PayShare program (utility billing)?
- >If yes, what should the funds be used for?

Council Discussion:

- >Council sees this program as an investment in our community instead of a social program.
- >Council is happy that we are working with other cities to maximize dollars.
- >Can we focus on five or six areas?
- >Agrees that we need to establish funding priorities.
- >PayShare program would need to be seriously modified. Can we add something to paper bills to promote PayShare?
- >If we continue with PayShare, what type of resources would be required to get set up and running efficiently. We don't want to spend more money to run it than we take in.
- >Would like more information on the requests as they come in so they can better prioritize.
- >Opposed to having the program funding tied to a specific dollar amount.
- >Faith Based - funding okay as long as they aren't directly promoting their own church.
- >Community funding is provided to benefit community activities that the city can't afford to provide or fund on its own.
- >Focus on providing funding to agencies that will make an impact on the community.
- >Possibly use PayShare on the sanitation bill instead of the water bill since not all Goodyear residents receive Goodyear water.
- >Evaluate the need for help with utility payments for citizens in need.
- >Would like information on what is most needed in the community, and what the past requests have been for.

Bohr commented that if money is used for some sort of utility assistance program, there would

need to be policies put in place to establish the program. Another option would be to provide funding to an already established utility assistance program.

Bohr recapped the direction received from Council:

- >Plante will provide Council with the Community Needs Assessment that she completed last April.
- >From the assessment, Council will decide which needs are greatest in the community.
- >Create a criteria form for judging the applications to tie in the needs of the community on a weighted basis.
- >Create a tool to come up with results showing priority based needs.
- >Council doesn't want to tie the funding to anything in particular and prefers to keep a consistent amount in the General Fund from year-to-year.
- >Possibly supplement the allocated amount with money from the PayShare account, if Council decides to move forward with that. Staff will investigate what will be necessary to continue and market that program.

- 3.2 [15-5444ws](#) Council will receive a presentation on the five-year financial forecast for the General Fund.

Laurie Wingenroth, Budget and Research Manager, presented the five-year budget forecast.

2014-15 General Fund Updated Estimate:

- >Revenues trending near budget
- **Non-Construction Sales Tax - up \$2.4M
- **Construction Sales Tax - down \$400K
- **Development Related - down \$600K
- >Expenditures are 3% below budget
- >Ending balance is projected at \$27.2M (includes contingency)

Council asked for an explanation of the Contingency Fund for the benefit of the public.

Wingenroth stated that the contingency is currently \$16.3M, and its purpose is to protect us from potential shortfalls or unexpected activities. Our financial policy sets the contingency at three months of on-going operating expenses. The \$27.2M estimated year-end contingency balance includes the \$16.3M contingency rolling into next year. The \$11M increase is due to revenues being up, expenditures being down, and the fact that this years beginning balance was higher than we had budgeted.

Council asked if the \$11M could be used for one-time projects pertaining to capital replacement? Wingenroth responded that city policy is to use contingency funds in excess of the three month safeguard for one-time projects.

2015-16 General Fund Projection Assumptions:

- >Estimating revenues will be up 6%
- >On-going base budget expenditures will grow about 5%
- >Restores asset management funds that were used for the Census this year
- >Contingency per policy
- >Capital Improvement Program (CIP) per adopted 2015-25

Council asked about revenue assumptions being up 6%. Is this a conservative assumption or is this taking into account possible cuts that the Legislature may enact regarding shared revenues? Wingenroth stated that historical experience was used. They did not assume any potential action by the Legislature to change the sharing formulas.

Council asked about the 5% increase in expenditures. Wingenroth responded that this estimate is based on inflation and historical data. Staff has not completed reviews with the individual departments to review their base budgets.

Wingenroth stated that staff takes a conservative approach to budgeting. We would rather have a higher ending balance that can then be carried over to the next year's budget. Those excess carry-over funds are classified as a one-time resource and can then be used for one-time capital projects that would not be otherwise funded.

Wingenroth recapped the estimated 2015-16 Initial General Fund projections as related to budget estimates, ongoing expenses, and one-time expenses. These are very preliminary figures that will change as the year goes on.

General Fund Known/Anticipated Funding Issues:

- >Public Improvement Corporation (PIC) Set-Aside Fund
- >IT Replacement
- >Pavement Management to \$3M
- >Fleet Replacement
- >Other Asset Management

As of the end of this reporting period, there is a potential to have \$700K left over for on-going supplementals, and \$2.3M for one-time items such as capital improvement projects, and new equipment.

Councilmember Campbell arrived at the Work Session at 5:48 p.m.

Wingenroth outlined the five-year forecast, and the Fiscal Year 16 Budget Process Calendar.

Council Discussion:

- >Would like more understandable information provided for the citizens.
- >Would like to see Priority Based Budgeting statistics in this year's department budget presentations.

4. INFORMATION

None.

5. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Work Session at 5:54 p.m.

Maureen Scott, City Clerk

Georgia Lord, Mayor

Date: _____