



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, March 16, 2015

5:00 PM

Goodyear Justice Center

Immediately following the Community Facilities District Meeting that begins at 4:30 PM

1 CALL TO ORDER

Mayor Lord called the Work Session to order at 4:42 p.m.

2. ROLL CALL

Present 7 - Mayor Lord, Vice Mayor Pizzillo, Councilmember Osborne, Councilmember Lauritano, Councilmember Campbell, Councilmember Stipp, and Councilmember Hohman

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

3. AGENDA ITEMS FOR DISCUSSION:

- 3.1 [15-5556ws](#) Council will receive an overview of the budget process, Tax Policy as it relates to FY16 budget development, and One-Time General Fund Requests for FY16.

Laurie Wingenroth, Budget and Research Manager, presented.

The focus of this meeting is Fiscal Year (FY) 16 one-time resources and uses for the General Fund.

Annual reserves & other known uses of one-time resources:

Adopted CIP \$ (3.4)M - As approved in the 10-year CIP Budget for FY16

Developer Deposits (2.9)M - Can only be used for specific projects

Special Census (1.3)M - Return funds that were borrowed from the Asset Management Funds this year

FY16 Contingency (16.5)M - Estimated

Non-Departmental

Other Asset Management (2.0)M

Fleet (1.9)M

IT Hardware (0.9)M
City Manager Contingency (0.5)M
Total: \$ (29.4)M

Council Discussion:

>What types of expenses would fall under the City Manager's contingency? Wingenroth responded that uses of this contingency are for unexpected items that may come up during the year. There is a specific process that is used and the requests are approved by the budget office. An example would be storm damage. Council ultimately approves the expenses through the quarterly budget transfer process. Council would like a report in advance of the quarterly transfer report if funds are used from this account since the funds are generally used for emergency type expenses.

>What is the limit for City Manager's discretion and not needing Council's advance approval? City Manager Dalke responded that the amount is \$75K.

>Asked for explanation of the IT hardware expenses. Wingenroth responded that IT has established a ten-year plan for replacing desktop computers, printers, copies and other technology equipment. IT has a plan for the average lifespan of equipment, and an average annual amount is set aside for replacements when it becomes necessary.

>Asked for clarification of what funds are reserved for one-time uses and what funds are rolled over to the next budget year if they are not used. Wingenroth responded that there are separate sub-funds for the Fleet and IT Asset Management accounts so that staff can track the funds. These sub-funds are funded by the General Fund but any unused funds can be rolled over into the reserves. The City Manager's Contingency Fund is different. It is not treated as a reserve. If it is not spent, it goes back into the General Fund and is available for use in the next budget year.

>Council would like to see a depreciation schedule for the asset management accounts so they can see what expenditures are anticipated over the next five years to determine how close we are to having the reserves fully funded.

>Asked for an explanation of Other Asset Management Funds. Wingenroth explained that there are separate sub-funds that have been set up so that staff can track the funds. Wingenroth explained that the Fleet and IT reserves have been in existence for a while. They weren't initially envisioned as part of the \$5M Asset Management Fund. That amount was intended to begin the process of identifying other areas where we should be doing this type of planning. The \$5M was the initial funding to get us started toward our goal. This year, \$2M is earmarked for any miscellaneous equipment throughout the City that may need to be replaced. The Other Asset Management Fund budgeted amounts will not necessarily be the same ongoing amount year after year.

>Would like a list with specifics regarding what the Asset Management Funds have been used for. Finance Director Larry Lange stated that staff is working on this type of report. Some typical uses are street improvement projects and right-of-way maintenance. There are a lot of projects that utilize this fund.

>Reserves are important because if we don't plan for unbudgeted expenses the money has to come out of operating expenses and basic services are then affected. This is just good planning and smart thinking.

Preliminary FY16 General Fund One-Time Resources:

FY16 Estimated Beginning Fund Balance

Increase in FY 15 Beginning Balance \$ 6.9 M

Increase in FY15 Revenue 1.0 M

Decrease in FY15 Expenditures 1.9 M

FY15 Contingency 16.3 M

Construction Sales Tax - Base Rate (2.5%) 4.0 M

PIC Set-Aside for the Ballpark 2.7 M

Annual Uses (29.4)M

Remaining for other one-time \$ 3.4 M

Council Discussion:

>How are CIP projects planned over a several year period of time in order to ensure that the project does not run out of money? CIP projects are generally funded in phases based on unique stages of the project over several years. Construction contracts are not awarded until all the resources are available in the budget.

>Consider setting funds aside for planning a park on the City Center land. Dalke responded that there is approximately 40 acres set aside for a park, but there is not a specific site plan or location for the park. Council doesn't want to lose the vision for a park in that area.

>Planning has begun with set-aside money for a multi-generational (multi-gen) center. Parks aren't on the list until 2024. Should we consider funding the park prior to 2024?

>Need to stay flexible in order to consider other business opportunities that may be presented.

Lange reported that Finance will be setting aside money over the next few years for the multi-gen facility. The assumption is that the facility will go on either the 40-acre site or the 100-acre city owned site. With regard to the park that is not funded until 2024, the City does not have a community park in the central city area. Our Development Impact Fee Study funded to have one park built, but it takes ten years to accumulate the resources. The assumption is that the park itself would go somewhere in the central part of the City, but may not go on the City Center land. It is possible that the park may go on some other location in the City. Council will make those decisions when we get closer to having the funds to build the park.

>A centralized park for our residents is very important.

>Council should review CIP projects and prioritize them on an ongoing basis. Some CIP projects, such as the park, may need to be moved up in the timeline.

>Need to take our time and plan the park so that is done right.

The approach to CIP projects was updated and fine tuned for FY16. The budget department has added more technical reviews.

Summary of new General Fund CIP project requests:

>Pavement Management to \$3M annually (Multiple years); FY16 in forecast based on Asset Management presentation and discussion.

>Loma Linda Park Renovation (multiple years)

>Warranted Traffic Signals (all years)

- >ROW median Litchfield and Yuma/Western Roads
- >Bullard Wash Engineering Plan
- >Developer Assisted Yuma Road and Canyon Trails Signal
- >Bullard Wash Excavation and Trails
- >Median and ROW Landscaping
- >Bullard Road and Van Buren Street Intersection Improvements

Projects Requested:

- >Pavement Management
- >Public Art
- >Warranted Traffic Signals
- >Police Headquarters

Projects that may be in future Impact Fee Program:

- >Community Pool
- >Community Park
- >Neighborhood Fire Station

Council Discussion:

- >**The Loma Linda Park project has been delayed because matching funds from the church have not come forth. It may be wise to consider using the \$2.1M set aside for Loma Linda Park renovations toward a central park that would benefit a larger part of the community.**
- >**If the proposed central park does not have a pool, then the Loma Linda pool needs to be renovated sooner than what is planned for in the CIP.**
- >**Council needs to decide what amenities will be included in the proposed central park in order to plan whether to spend money for Loma Linda Pool and Community Center renovations.**
- >**Perhaps move money into a "parks" fund, rather than specify one park.**
- >**How much use does the Loma Linda Pool get?**

Nathan Torres, Parks and Recreation Director, reported on necessary infrastructure renovations in the Loma Linda Park, and discussed the Parks Master Plan with regard to a community pool.

Council requested a yellow paper addressing the agreement with the YMCA and resident use.

Mayor Lord recessed the Work Session at 6:00 p.m. in order to hold the Regular Meeting that must begin at 6:00 p.m.

Mayor Lord resumed the Work Session at 7:10 p.m.

Continued CIP Discussion:

- >**ROW Median on Litchfield south of Yuma/Western in front of Lockheed Martin.**
Would like to improve this area to attract economic development opportunities.
- >**Bullard Wash Engineering Plan** - Complete projects that are still unfinished in our CIP, such as parks, before we start something new. Possibly use grant funds for Bullard Wash trails.

Can we move funds from the Bullard Wash Plan to parks and try to get grant funds for the engineering/trails plan? We can better use this money elsewhere.

*Staff will need to check to see if we are under any contractual obligation to the County to continue with the 50/50 funding for the Bullard Wash Engineering Plan.

>Traffic light and pedestrian safety at the Estrella Safeway Shopping Center. Rebecca Zook, Engineering Director, reported that a warrant study was recently completed for both pedestrians and traffic at this location. At this time, a traffic light is not warranted based on the traffic. A pedestrian crossing is warranted and staff has proposed a pedestrian crossing at this location in the FY16 budget. Staff will continue to monitor this location for a traffic light. There are concerns that there will be a lot of U-turns when the Taco Bell Restaurant is completed.

>Put Loma Linda renovations on hold. Improve existing amenities and infrastructure that are already there and not add additional amenities. Not in favor of putting any additional money into the Loma Linda Community Room.

>Bullard Avenue & Van Buren Street Intersection Improvements. This would improve the south side of Van Buren Street and make entryways to the Foreign Trade Zone area attractive for economic development opportunities in the Bullard Avenue Corridor. Consensus was to leave this in the CIP for now since it is not scheduled until 2018. We can re-evaluate this again next year.

Council Consensus:

*Bullard Wash Excavation & Trails - No

*Median and ROW Landscaping - Yes

*Bullard & Van Buren Intersection Improvements - Yes

Council also discussed the problem of weeds on City streets that are not being removed.

Tax Policy Discussion:

Food for Home Consumption Tax:

This 2% tax brings in \$2M in revenue. A reduction of .25% would reduce revenue by \$250,000.

>Council would like to reduce this tax, but doesn't feel it is financially wise to eliminate this revenue without a direct service cut equal to the reduction in order to offset it in the budget.

Large Single Item Retail - 1.2% tax on single item sales greater than \$5,000:

This tax brings in \$1.1M in revenue.

>Discussion was centered around eliminating the tax, raising the amount to \$10,000, or lowering the amount to \$2,000, and the impacts that each of those considerations would have on the budget. Would a change in this policy help our efforts to attract economic development and businesses to the area?

Restaurants and Bars:

The current 4% tax brings in \$5.5M in revenue. A reduction of .25% would reduce revenue by \$350,000.

>Goodyear's restaurant tax is one of the highest in the valley. Should we lower the rate in

order to attract more restaurants and make up the difference in volume?

Council Discussion:

>Still concerned with the economy.

>Want to lower the grocery food tax if possible.

>If we cut taxes we also need to cut expenses, or find another revenue source to make up the difference, so that our ongoing expenses budget is not affected.

>Want to know when the information from Priority Based Budgeting will be available.

*Council wants this data available during budget discussions.

*Dalke reported that a Work Session is being proposed for March 30th to go over data from the Priority Based Budgeting tool. Individual department presentations on April 6th & 7th will include some Priority Based Budgeting information.

Council Consensus:

>Food for Home Consumption Tax: Council would like to consider dropping this tax by .25%. Staff will provide Council with more information on how the \$250,000 revenue loss could possibly be offset, and the impacts this will have. Council will discuss this again at a future meeting.

>Large Single Item Retail - 1.2% tax on single item sales greater than \$5,000 - Leave tax as is for now.

>Restaurants and Bars - Leave tax as is for now.

4. INFORMATION

None.

5. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Work Session at 8:25 p.m.

Maureen Scott, City Clerk

Georgia Lord, Mayor

Date: _____