



## City of Goodyear

See meeting location  
below

### Meeting Minutes

#### City Council Subcommittee: Audit

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Tuesday, September 13, 2016

4:00 PM

Goodyear City Hall, Room 212  
190 N. Litchfield Rd.  
Goodyear, AZ 85338

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#### 1. CALL TO ORDER

Finance Director Doug Sandstrom called the Audit Subcommittee Meeting to order at 4:01 p.m.

#### 2. ROLL CALL

**Present:** 3 - Vice Mayor Lauritano, Councilmember Pizzillo and Councilmember Stipp

Staff Present: City Manager Brian Dalke, Finance Director Doug Sandstrom, Controller Rebecca Chitwood, Accounting Supervisor Chris Goeman, Management Assistant Khala Stanfield

Others Present: Heinfeld, Meech & Co., PC, Engagement Partner Jill Shaw, In-Charge Auditor Matt Miller

#### 3. CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR

None.

#### 4. OLD BUSINESS

None.

#### 5. NEW BUSINESS

##### 5.1 Discussion of Infrastructure Improvement Plan (IIP) Audit

Controller Chitwood explained that we had an Infrastructure Improvement Plan (IIP) audit conducted by Heinfeld and Meech for the period of August 1, 2014 - June 30, 2016.

Heinfeld, Meech & Co., PC, Engagement Partner Jill Shaw presented the IIP update. The procedures identified in the audit were agreed upon by the auditor and the management of the City of Goodyear in which was presented as the Independent Accountant's Report On Applying Agreed-Upon Procedures. Both Shaw and management believe that the procedures performed meet the requirements of the statute and also meets the legislative intent behind it. The procedures consisted of the following:

- Collection of development impact fees in accordance with authorized fee schedules,

ensuring that the same rate is charged on equivalent permits

- Expenditures of development impact fees on projects contained in the approved IIP
- Reporting any inequities in implementing the plan or imposing the development impact fee

- Compare growth projections contained in the IIP with actual results
- Compare projected building permits issued with actual results
- Appropriateness of Construction sales tax allocations
- Annual report compliance

After the IIP audit is made final, the committee will receive a copy via email and the audit will be posted on the city's website.

Councilmember Stipp wanted to ensure the city was comfortable with the procedures that were selected to review. Shaw stated that they had met with city management and were in agreement that the procedures performed met the requirements of the statute and also the legislative intent behind it. The actual state statute provides little guidance as to what procedures to utilize.

Post Meeting Note: The finalized IIP Audit is required to have a public hearing before the City Council. This public hearing and acceptance will be scheduled for an October council meeting.

## 5.2 Discussion of Policy 200 - Employee Compensation

Finance Director Sandstrom presented Policy 200 - Employee Compensation. The following were explained for reclassifications and promotions:

Reclassifications / Promotions:

An employee receives 5% increase or the entry of the new range, whichever is greater. If an employee exceeds minimum relevant experience requirements or a special skill is identified by:

- a. 2-5 years, a Department Director can authorize starting salary within the first quartile
- b. 6-9 years, a Department Director can authorize starting salary up to midpoint
- c. 10+ years, a Deputy City Manager or City Manager can authorize starting salary above midpoint

City Manager Dalke explained that the policy still reflects quartiles but raises were handled differently as everyone had a 3.5% increase. Reclassifications are processed through Human Resources and compensation is aligned with job duties, and internal equity is evaluated.

Councilmember Pizzillo wanted more clarity on the following:

- How promotions are defined. Sandstrom explained that a reclassification to higher pay grade is a promotion and follows the rules previously discussed.
- Ensure that the policy is sound and reclassifications are not being used to just give more money
- Potential discussion in the future regarding salary increases above 5% or the bottom of the range

Post Meeting Note: The policy described above applies to new hires as well.

### 5.3 Discussion of FTE Comparisons - Fiscal Year (FY) 15-16

Finance Director Sandstrom explained the following definitions:

a. Repurpose - In most instances, a position is vacant and the department has a greater need for another position to meet the needs of the department.

b. Reclassification - In most instances, an employee is currently in a position where the duties and job requirements increase or decrease resulting in an increase or decrease in the pay grade.

Sandstrom explained that requested changes are justified to Human Resources and include job responsibility changes/comparisons, budgetary impacts and internal equity concerns. Vice Mayor Lauritano inquired as to what happens to the savings when salaries are decreased. Sandstrom replied that when the budget is analyzed for the next fiscal year, the decrease in salary is recognized and the departmental base budget is aligned to actual salary.

Councilmember Stipp expressed concern that reclassifications may be used to make the organization top heavy. Lauritano inquired if a list of repurpose/reclass cases that were not accepted would be helpful. Stipp would like to see organizational charts for each department. This will provide ability to see the amount of supervisors versus direct reports.

Councilmember Pizzillo inquired about instances when a reclass goes down but the employee is now over the range. City Manager Dalke replied that employees at the top of the pay grade would be redlined until their pay range caught up with them and would receive an annual lump sum in lieu of a base salary increase.

### 5.4 Discussion of Special Audit Issues from Audit Committee

The Councilmembers would like to see how many webpage views were being received for annual development impact fee report and IIP audit.

Management Assistant Stanfield will meet with Communications to pull the data on page hits.

### 5.5 Auditors' Comments and/or Questions

No additional comments.

## 6. INFORMATION ITEMS

None.

## 7. ADJOURNMENT

There being no further business to discuss, Finance Director Doug Sandstrom adjourned the meeting at 4:40 p.m.

Respectfully Submitted by:

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Khala Stanfield, Management Assistant

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Doug Sandstrom, Finance Director

Date: \_\_\_\_\_