



City of Goodyear

Meeting Minutes

City Council Work Session

Goodyear Municipal Court
and Council Chambers
14455 W. Van Buren St.,
Suite B101
Goodyear, AZ 85338

Mayor Georgia Lord

Vice Mayor Bill Stipp

Councilmember Joe Pizzillo

Councilmember Sheri Lauritano

Councilmember Wally Campbell

Councilmember Brannon Hampton

Councilmember Laura Kaino

Monday, May 4, 2020

5:00 PM

Goodyear Municipal Court and Council
Chambers

Due to the COVID-19 pandemic and Governor Ducey's "Stay Home, Stay Healthy, Stay Connected" order, city buildings are closed.

CALL TO ORDER

ROLL CALL

Present 7 - Mayor Lord, Vice Mayor Bill Stipp, Councilmember Pizzillo, Councilmember Lauritano, Councilmember Campbell, Councilmember Hampton, and Councilmember Kaino

Staff Present: City Manager Julie Arendall, City Attorney Roric Massey and City Clerk Darcie McCracken

City Clerk Darcie McCracken advised that even though the building was closed and people could not appear in person, there were other ways for citizens to remain involved. She reviewed the ways that citizens could view the meetings and send comments to Mayor and Council.

AGENDA ITEMS FOR DISCUSSION:

1. [2020-6859ws](#) City Manager's Recommended FY2021 Annual Budget and FY2021-2025 Capital Improvement Program (Lauri Wingenroth, Finance Manager-Budget and Research)

Finance Manager - Budget and Research, Lauri Wingenroth gave a presentation of the FY2021 Annual Budget Improvement Plan, which included the framework for the development of the budget, and a high-level overview of the General Fund budget with highlights from the Capital Improvement Program (CIP).

Ms. Wingenroth reviewed the Pandemic and Response Study that provided a timeline of events that impacted the city's economy and revenue base such as the cancellation of Spring Training. The

cancellation of Spring Training totaled a loss of \$900,000 in direct revenues from ticket sales and concessions during games. She added the areas most impacted by the results of the response to the pandemic were sales tax revenues and the ongoing General Fund which consisted of 50% of non-construction city sales tax and 8% of state shared sales tax.

Ms. Wingenroth went on to discuss the proposed FY 2021 All Funds Budget that was projected at \$589.8 million and was associated with the capital program and made above one third of the general fund of the city's budget. She noted 60% of the money would go into the CIP including continuing and new projects.

Ms. Wingenroth provided an update on the progress of the FY2020 CIP stating it consisted of monthly update meetings and implementing a change reporting and tracking system to keep track of challenges or opportunities in developing the CIP. She discussed the framework of the FY2021-2024 Five-Year Plan stating all projects currently in progress would be continued because it meant spending in the community which was good for Goodyear's economy. She stated the plan program fund totaled \$590 million and discussed the different funding sources. Ms. Wingenroth provided project highlights on the recreation campus, Fire Stations 186 and 181, Civic Square at Estrella Falls and the Surface Water Project. She also discussed FY2021 projects, CIP Five-Year Plan changes and Debt Service.

Council inquired about Franklin Pierce and their future goals. City Manager Julie Arendall stated that Franklin Piece remained committed to the city, but could not commit to a timeline to move forward with a lease. Therefore, the item would be removed from the CIP due to not having any specifics, and a firm commitment from the university.

Council asked if the city would proceed with any shovel-ready projects if stimulus funds became available. Ms. Wingenroth responded that there were several projects in design and the city was positioned to make use of any federal funds that may become available.

Council asked if the water meter replacements would be the digital meters. Public Works Director Javier Setovich stated that new meters would be fully adaptable to future remote readings. Council asked if they were all being replaced at once. Mr. Setovich responded that for now only those which have been identified as old or running slow would be replaced.

Council stated how fortunate the city was in moving forward with big and substantial projects. Council asked about the awkward lane heading northbound, south of the I-10 freeway. Ms. Wingenroth stated a lane would be added as a quasi-temporary solution. There was an upcoming project in the CIP for the following year to widen the road and make it a permanent solution.

Council asked why was there so many facility condition assessments and studies and restudying of these buildings. Ms. Wingenroth stated the assessments have been worked on but were not yet to the point to be costed out. She added that some were carry overs and not new projects. Ms. Wingenroth went through each of the facility assessment projects and verified that each one was a

carry over. She added that in future years those carry over projects would be indicated so that it was clear what projects were new and which were carryover. Council stated that just because it's budgeted doesn't mean the city has to do it, but if it isn't budgeted then they can't do it these larger projects.

Council asked if there was a project sheet that showed project phases. Ms. Wingenroth stated there was an internal sheet that showed different timelines from the start of a project to any carry over. City Manager Julie Arendall stated that the Engineering department provided a quarterly report that was helpful to follow.

Council asked about the status on many upcoming art projects and the Art Commission's process and what kind of recommendations were made through Council. Ms. Wingenroth stated that they would make recommendations to Council of any project beneficial to the community and would proceed with Council's approval. Arts & Culture Director Guylene Ozlanski stated the Arts Commission looked at public art for Goodyear as a whole and identified the southeastern area of the city as a gateway into the city that would benefit from public art; revitalizing the area. She reiterated that Council would approve any art project expenditures.

Ms. Wingenroth provided details about the annual budget highlights including the Enterprise and General Funds. She discussed the 5-year rate study being conducted and added the study would be presented to Council for input at the beginning of the next fiscal year. Ms. Wingenroth provided details on the different enterprise funds which included the Water Operating Fund noting it had \$51 million in resources and the city was planning on spending about \$49 million the following year, a large part of the expenditure was related to the surface water project. She stated \$762,000 was being recommended in supplementals for the operating budget of the Water Operating Fund. The Wastewater Operating Fund had about \$34 million in resources with a proposal of spending \$26.5 million with plans and possible future capital needs. The Wastewater Operating Fund was recommending \$808,300 in ongoing supplemental additions. Ms. Wingenroth stated the Solid Waste Fund had close to \$14 million in resources and \$9.3 million was recommended to be spent. She noted that half of the budget for this fund was spent on paying the contract for trash collection. She added only one supplemental was recommended for recycling outreach and education.

Council asked if both cans would continue to be collected at one time. Ms. Arendall stated the change was due to the pandemic and it was only temporary due to staffing. She added the city had every intent to return to how trash was picked up before the pandemic and recycling was required in the contract.

Council recessed at 6:24 p.m.

Council reconvened at 6:37 p.m.

Ms. Wingenroth discussed the proposed FY2021 General Fund Budget which consisted of \$206 million. She reviewed the revenue sources and fund balances. She stated 46% of the fund paid for

day-to-day operations. Ms. Wingenroth provided information on revenue assumptions and the adjustments being made. She also discussed property taxes and stated property tax would be maximized.

Council asked if there was an average on the assessed valuation for properties in the city. Ms. Wingenroth stated the data had not been analyzed on how individual properties were treated, but did know that the total assessed valuation increased by 4.9%.

Ms. Wingenroth reviewed the local non-construction sales taxes noting the revenue estimates were forecasted based on the same month from the previous year. She stated hotel/motel, amusement, restaurants and bars, were forecasted with the deepest losses in Revenue. There was also a moderate decline in retail with a spike in March for food for home consumption. She went on to review the forecasting for FY 2021 which included actuals from FY2018, FY2019, FY2020 and estimates for FY2021 for food for home consumption, retail sales tax, restaurant and bar, hotel/motel tax categories. Ms. Wingenroth added there was no anticipated decline in development related activity and anticipated higher revenues in construction sales tax. She also discussed other General Fund resource impacts such as the Ballpark and HURF fund.

Ms. Wingenroth discussed how the \$180 million in the General Fund was spent. She added the Operating Budget was \$96.1 million and reviewed the various categories in the operating budget.

Ms. Wingenroth reviewed compensation and benefits that included the tentative negotiated agreements with represented police and fire and the non-represented salaries.

Council discussed the one-time payment in July versus increasing salaries for the future. Council commented that they did not want to see the city get behind in equitable pay and would like to do a market adjustment rather than a one-time payment. Council inquired about other options to give employees an increase in compensation. Ms. Arendall responded that staff had spent some time reviewing the various options of paying employees in the current environment. She agreed with Council that 2.5% in a lump sum was the same as 2.5% ongoing, however, the 2.5% was not recommended as an ongoing commitment.

Council commented that regardless of the way the employees received the increase, they would like to see a meeting later in the year to discuss the benefits.

Ms. Arendall recapped that the upcoming budget would have 2.5% ongoing increase and staff would return in mid-year to speak about additional compensation.

Ms. Wingenroth reviewed the "Must Do" ongoing supplementals including opening the recreation campus, converting 6 part-time positions to full-time and the ambulance program start-up for July 1, 2021.

Ms. Wingenroth reviewed the \$5.9 million in FY2021 one-time supplementals and carryover items.

For the "Must Do" one-time supplemental items, recommendations included temporary staffing for development support, charter committee and election, continuing the park ranger pilot program, training for paramedics, supplies and equipment for the recreation campus and ambulance program, costs surrounding the 75th anniversary and street sweeper debris containment area.

Council asked about the 75th Anniversary dollar amount. Ms. Wingenroth stated the amount was \$105,000. Council commented on the park ranger program noting they were unaware it was a pilot program and requested an update on the program at a later date. Ms. Wingenroth stated the pilot program was a recent addition to the must do supplementals and an update would be provided.

Council asked if the temporary staffing for development support included support for economic development. Ms. Arendall stated during the last budget cycle, council approved two new FTEs along with temporary dollars being allocated to that division.

Ms. Wingenroth discussed details on the contingency for unknowns in an uncertain economy stating there was a \$16.4 million contingency, called for by policy, and was recommending the \$5.4 million left over after all expenses, be treated as a special contingency tracked separately from the balance of the \$16.4 million.

Ms. Wingenroth reviewed the Ballpark Operating Fund which included general fund transfers for debt service.

Council asked if the ballpark operating fund was growing. Ms. Wingenroth stated its revenue would not be growing at the same rate as their expenses.

Ms. Wingenroth also reviewed the General Funded Asset Management plans stating they supported the replacement of General Fund Assets. She stated all the financial policies and conservative practices are adhered to in the budget and the proposed budget that was presented was in full compliance with the financial policies. She added that it was important to match ongoing costs with ongoing revenues noting that, as recommended, the budget did not use all ongoing revenues for ongoing expenses causing more to be available for one-time purposes.

Council thanked staff for their hard work and the well-thought-out budget presentation. Council also commented that they were confident in the city and their ability to get things done.

INFORMATION ITEMS

There were no comments from the Council or City Manager.

ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Work Session at 8:19 p.m.

Darcie McCracken, City Clerk

Georgia Lord, Mayor

Date: _____