



City of Goodyear

Meeting Minutes

City Council Retreat

Mayor Georgia Lord
Vice Mayor Sheri Lauritano
Councilmember Joanne Osborne
Councilmember Joe Pizzillo
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, January 4, 2016

4:30 PM

Goodyear Justice Center

PART II

1. WELCOME AND FACILITATOR INTRODUCTION - Mayor Lord

Mayor Lord called the Retreat to order at 4:32 p.m.

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

2. REVIEW OF RETREAT SESSION 1 OUTCOMES - Facilitator Mike Letcher

Mayor Lord introduced Mike Letcher, the Facilitator for the Retreat. Mr. Letcher reviewed the November 16, 2015 Retreat where Capital Improvement Projects were discussed.

Priority areas include:

- >Taking care of current areas such as pavement management, traffic signals, rights of way, and asset management.
- >Creating a gathering place within the city to include amenities such as a pool/water park, basketball, volleyball, climbing wall, gym, teen programs, theatre, plays, and an indoor track to name a few.
- >Ensuring that public safety facility needs meet growth demands.

3. OVERVIEW OF RETREAT SESSION 2 AGENDA & OUTCOMES - Facilitator Mike Letcher

Mr. Letcher reviewed the agenda for this Retreat.

4. BUDGET DEVELOPMENT SCHEDULE - Facilitator Mike Letcher and Budget & Research Manager Lauri Wingenroth

Budget and Research Manager Lauri Wingenroth presented the draft budget development schedule. Does the schedule fit the needs of the Council expectations? Supplementals will be reviewed by the executive staff and then shared with Council.

Council Comments and Questions

- *Would like to see and compare the (PBB) Priority Based Budget tiers. May be able to move money somewhere else. Would like to see some return on what has been found in PBB.
- *Would like to see how LEAN and PBB fit into the budget discussion.
- *Would like more detailed information about what the departments need so decisions can be made about supplementals.
- *Would like to see all supplementals, including the ones that were not approved.
- *Performance Measures should be meaningful and should be listed with the supplementals.
- *Would like to keep the tax policy discussion flexible. Don't want to keep locked in at this point.
- *Would like to have a discussion about the base budget. Would like to understand how the new base budget evolves. Expenditures need reviewed. Wingenroth said that she can share the historical information for the base budgeting forecasting. Discussion can be included on how the base budget is measured.
- *Would like to know why there is so much overtime.

5. **ECONOMIC OPPORTUNITY FUND - Facilitator Mike Letcher**

Michelle Lawrie, Economic Development Director, presented. The Economic Opportunity Fund is a municipal fund that is geared toward economic objectives of Council and is recommended by the Greater Phoenix Economic Council. The fund would help fill gaps toward achieving objectives such as infrastructure and marketing opportunities. The program can be structured to fit the needs of the city and it can help with accelerating development. Avondale, Gilbert, Peoria, Phoenix and Surprise have implemented an economic opportunity fund.

Council Comments and Questions

- *Could a combination of funds be used to fund it?
- *Would like to focus on high wage jobs and entertainment areas.
- *We are already doing this, just not in a packet format.
- *In support of this concept.
- *A review of the measurable objectives is needed before putting money into the program.
- *Incentivize large box retail and entertainment centers.
- *Need to make sure there is buy-in from all landowners before infrastructure is put in.
- *This is a great idea, where will the money come from?
- *Would like to put a little money aside. The goal would be to reinvest, but not take away money from other projects.

6. **TAX POLICY DISCUSSION - Facilitator Mike Letcher**

Budget and Research Manager Lauri Wingenroth reviewed the budget and tax policies. She gave a review of overall revenue and expenditure forecasting. Historical experience, economic factors, other agencies and the Census impact are all used for forecasting.

The fiscal strategy variance is a favorable 4% for revenue and expenditure results. The city cannot spend more than the budget. There is a planned source of one time funds for the new budget year.

Expenditure Policy-Level Items

- *Potential Legislative Impacts/Mandates
- *Capital Project Operations Impacts
- *Asset Management
- *Public Safety Memorandum of Understanding Obligations
- *Health Care Costs
- *Employee Retirement Costs
- *Compensation Philosophy (non-sworn)
- *Department Critical Needs/Impacts of Growth
- *FY17-19 City Strategic Action Plan Item Consideration

Finance Director Larry Lange, presented. Lange asked Council to consider whether the current property tax financial policy should stay the same or should it change? Our current rate is \$1.87.

The city's current policy is that no new General Obligation bonds can be sold unless the total combined property tax rate of \$1.60 can be maintained.

Remaining Voter Approved Authority to Issue G.O Bonds

- *Public Buildings, Library & Technology-\$45M
- *Parks & Recreation Facilities-\$32M
- *Storm, Sewer & Bridge Drainage-\$18M
- *Fire Protection-\$17M
- *Public Safety-\$10M
- *Street & Highway-\$8M
- Transportation-\$3M
- Total-\$133M

Council Comments and Questions

- *The levy is the key. Don't focus on the rate. The main focus should be if the project should be done.
- *Would like to know what people are interested in and then a decision can be made about the rate.

Sales Tax Policy

Lange asked if the current sales tax structure for FY16-17 Revenue.

Council Comments and Questions

- *We are a strong city. The time is right to lower the food for home consumption sales tax.
- *When looking at the needs and wants of the city, it is isn't time to lower taxes.
- *We need more police and fire. It isn't the time to lower the taxes.
- *We need to take care of roads and the water situation.
- *When we get more retail then we can look at lowering the sales tax.
- *Need to balance where we are spending money.
- *How are other cities managing with lower taxes?

*Need to reduce the expenditure side and not change the sales tax.

7. REVIEW OF CITY CHARTER FORM OF GOVERNMENT - City Attorney Roric Massey

Mayor Lord stated that we have a Council-Manager form of government. City Council sets policy, priorities and budget for the city. The City Manager implements policy and is the Chief Administrative Officer of the city.

Per City Charter, the Mayor serves as the Chair of the Council and is the Head of the City Government for all purposes, but has no regular administrative duties. Per the City Charter, neither the Mayor nor any Council member shall interfere with the execution by the City except as otherwise provided in this Charter, neither the Mayor nor any Council member shall interfere with the execution by the City Manager of the powers and duties, or order, directly or indirectly, the appointment by the City Manager of any person to an office or employment or the removal there from. Except for the purposes of inquiry, the Mayor and Council members shall deal with the administrative service under the City Manager solely through the City Manager, and neither the Mayor nor Council member shall give orders to any subordinate of the City Manager, either publicly or privately.

8. SESSION RECAP - Facilitator Mike Letcher

Mr. Letcher recapped the Retreat.

*The budget calendar has been established and staff will provide more information on the supplemental process.

*There is direction to establish an Economic Opportunity Fund. Would like parameters set for the fund. Staff will come back with more information.

*There is direction to stay with the current sales tax and policy.

*There is direction to look at the \$1.735 Property Tax Rate which is mid-point between the current rate of \$1.87 and policy rate of \$1.60.

9. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Retreat at 8:39 p.m.

Maureen Scott, City Clerk

Georgia Lord, Mayor

Date: _____