



City of Avondale

City Council Meeting

 [**Link to Summary of Council Actions**](#)

 [**Link to Meeting Minutes**](#)



City of Avondale

City Council Meeting Monday,

December 2, 2019

Summary of Council Actions

Mayor and Council

Kenn Weise, Mayor

Pat Dennis, Vice Mayor

Tina Conde, Council Member | Bryan Kilgore, Council Member

Veronica Malone, Council Member | Curtis Nielson, Council Member

Mike Pineda, Council Member

Administration

Charles A. Montoya, City Manager

Gina Montes, Assistant City Manager

Michael Wawro, City Attorney

Marcella Carrillo, City Clerk

Courtyard Phoenix West Avondale

1650 North 95th Lane

Phoenix, AZ 85037



Summary of Council Action

City Council Meeting Agenda

Monday, December 2, 2019

COURTYARD PHOENIX WEST AVONDALE | 1650 NORTH 95TH LANE | PHOENIX, ARIZONA 85037

CITY COUNCIL RETREAT

4:00 PM

CALL TO ORDER BY MAYOR

1. ROLL CALL BY THE CITY CLERK

2. COUNCIL BUDGET DISCUSSION

City Council **discussed** the fiscal year 2020--2021 budget process, preliminary department budget needs, and City Council goals for the budget process. The City Attorney **provided** a brief overview on elections and Council funds.

3. ADJOURNMENT

Council Members of the City of Avondale will attend either in person or by telephone conference call.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica.

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
COURTYARD PHOENIX WEST AVONDALE
December 2, 2019

A **Work Session** of the City Council of the City of Avondale, Arizona was convened at 1650 North 95th Lane, Phoenix, AZ 85037 in open and public session at 4:43 p.m.

Members Present: Mayor Kenn Weise; Vice Mayor Pat Dennis, Bryan Kilgore, Veronica Malone, Curtis Nielson, and Mike Pineda.

Members Absent: Council Member Tina Conde

Council Member Conde arrived at 4:39 p.m.

Other Municipal Officials Present: Charles Montoya, City Manager; Gina Montes, Assistant City Manager; Tracy Stevens, Deputy City Manager; Michael Wawro, City Attorney; Marcella Carrillo, City Clerk; Cindy Blackmore, Public Works Director; Jessica Blazina, Intergovernmental Affairs Administrator; Jeff Case, Fire Chief; Lindsey Duncan, Finance and Budget Director; Craig Jennings, Judge; Kirk Haines, Parks and Recreation Director; Dale Nannenga, Police Chief; Cherlene Penilla, Human Resources Director; Jeffrey Scheetz, Chief Information Officer; and Pier Simeri, Community Relations and Public Affairs Director.

Audience: No members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. COUNCIL BUDGET DISCUSSION

City Council will discuss the fiscal year 2020--2021 budget process, preliminary department budget needs, and City Council goals for the budget process.

Mayor Weise welcomed the group and provided a brief introduction. Charles Montoya, City Manager, provided an overview of the Department Head Retreats and briefly explained the budget process.

Michael Wawro, City Attorney, provided a brief overview on elections and campaign finance. He stated that election activities fall into three categories: Campaign finance; campaign practices; use of public resources.

The presentation proceeded in a question and answer format:

Question: Can campaigns accept money directly from business and labor organizations?
Answer: No. Only PACs organized under state law by members of business or labor organizations can make contributions.

Question: How much money can a campaign accept from any one party?

Answer: \$6,250. If a parent contributes the maximum \$6,250, that person's minor child may not contribute an additional \$6,250. Any amounts contributed by a parent and minor child are combined for a total amount not to exceed \$6,250. The adult contributor's spouse, however, may also contribute up to a maximum of \$6,250.

Question: The campaign is over and the individual has won their campaign. They have remaining funds left from the campaign. May the funds be used to throw a BBQ for campaign workers?

Answer: Yes.

Question: May \$10,000 be provided to the Avondale Boys & Girls Club, a charitable organization?

Answer: Yes.

Question: May the funds be used to purchase a new Tesla vehicle to show commitment to sustainability?

Answer: No.

Question: Is it permissible to solicit signatures in city buildings for petitions?

Answer: No. Under Avondale's personnel policies, employees on duty may not sign petitions for nomination.

Question: May the friend of a candidate place foldouts with campaign information on public counters in City Hall?

Answer: No. City facilities, resources and employees may not be used to support a political campaign.

Question: PACs organized by employer organizations in Avondale are going to contribute to my campaign and get their friends in other communities to assist putting up my signs. Is this permissible?

Answer: Yes, this is permissible, however in-kind assistance may have to be reported.

Question: Can a City-provided cell phone be used to call individuals to organize fundraisers for my campaign? Is this permissible?

Answer: No. City-provided cell phones may not be used for political activities.

Question: Is it permissible to include the Avondale logo on campaign literature?

Answer: No. The Avondale logo is City property.

Question: Is it permissible for a candidate to delete critical campaign comments from their City Facebook page and/or delete critical comments from its campaign Facebook page?

Answer: Under the First Amendment, comments may not be deleted from the City Facebook page. If the candidate's Facebook campaign page is clearly marked as belonging to the candidate, comments may be removed.

In response to a question from Mayor Weise, Mr. Wawro stated that campaigns may gather signatures at Festival Fields, Friendship Park and outside the library, provided they are in public rights-of-way and thoroughfares. There are free speech zones in many locations, which may also be utilized.

Deputy City Attorney, Nichole Harris, provided the following information on discretionary funds. Public funds must always be tied to a public purpose. Any expenditures are part of the public record.

The presentation proceeded in a question and answer format:

Question: Is it permissible to give money in the form of discretionary funds to a local church to do a bible study for domestic violence victims?

Answer: No. Public funds cannot be used to establish or advance religion. Contributions may not be made to a church, but to another organization, such as a 501(c) that is affiliated with the church. The church must then commit to keeping the funds for community services as opposed to religious services.

Question: Can discretionary funds be used to send students to Washington D.C. to watch the impeachment hearings?

Answer: No. Public funds cannot confer a direct benefit on an individual or a company.

Question: Can discretionary funds be used to bring a spouse to a conference?

Answer: No. Public funds cannot be used for personal expenses.

Lindsey Duncan, Finance and Budget Director, presented on the following:

- Financial Outlook
 - General Government Revenues
 - Local Sales Tax
 - Local Taxes
 - Intergovernmental Revenue
 - Charges and Other
- Fiscal Year 2021 Budget Process
 - Calendar of Budget Events
 - Additional Budget Tasks
- Operating and One Time Requests by Department

On a pure percentage basis through October, the budget is roughly at 33 percent. Most sources are on par with this percentage. There is some seasonality in terms of the holidays. This indicates that the budget forecast is going very well as compared to how the City is performing this year. The City collects 98 to 99 percent of the amounts it levies for property taxes. Sale of assets refers to the sale of items, such as land and old equipment. There is a 5 percent year-over-year increase in local taxes and a 7 percent year-over-year increase in intergovernmental, primarily consisting of income taxes collected two years ago.

The category of charges and other is down on a year-over-year basis, predominantly due to the construction industry and permitting as well as the short supply of available lots for improvements. Property taxes are flat year-over-year, as are sale of assets. Local taxes represent 40 percent of the General Fund. There is a strong showing on the retail side, up approximately \$500,000 over the prior year and \$100,000 greater than the budget forecast. Auto dealers are relatively flat, which can be a leading indicator of the health of the economy. Restaurants and bars are relatively flat, however do show an increase of 4.8 percent year-over-year. Contracting is up, however not due to housing or commercial construction. It was due to a single contractor, speculative builder. This is single large taxpayer revenue occurrence and cannot be counted on to continue on a regular basis. The categories of rental, utilities and other are also flat, however, these represent a small percentage of the overall total.

The local taxes forecast for next year assumes a 3 percent increase. The projections for intergovernmental revenue can safely assume a \$1.3 million increase in income taxes collected two years ago for next fiscal year. State sales taxes will assume a 3 percent increase for next year, or approximately \$1 million. Vehicle license taxes are projected to increase by \$100,000, or 3 percent. The “charges and other” category includes permitting, inspections and business licenses. The total is down slightly year over year, attributable to availability of lots. This is expected to improve next fiscal year.

Staff are currently entering budgetary requests in the City’s new budget software. Staff is being asked to look for opportunities within their internal budgets to fund increases they are requesting. Staff are also completing entries for supplemental requests. These are new CIP projects as well as updating existing projects. All departments have been asked to break down their requests in three areas: Maintaining the current level of service; enhancing level of service; new program or service.

The public hearing for the first step in the Home Rule will occur next week. After that, staff will be sharing highlights of the budget process, revenue discussion, the General Fund, capital and enterprise funds. The process is starting sooner to allow Council to establish the committee as well. The election will occur in August of next year. Items in addition to the listed budget agenda items for the coming months include the Home Rule ballot question, sales tax ballot question and utility rate update. Rate changes would not be anticipated to be presented for final approval until spring to summer.

Police Chief Dale Nannenga, presented on the following:

- Operating Budget Requests
 - School Resource Sergeant (SRO) (\$245K)
 - Neighborhood Resource Officer (215K)
 - Records Supervisor (\$105K)
 - Two Security Officers for the City Hall complex and City Buildings (\$243K)
- One-Time Requests
 - Equipment for Identification Bureau (\$55K)
 - Radio Console-Communications (\$60K)
 - Spillman Dashboard Module (65K)

Chief Nannenga stated that the SRO will create programs with the City's elementary schools, who currently receive no services from the department unless there is an emergency. The Neighborhood Resource Officer position is in response to the growing department time commitments dealing with the homeless issue. The new position will help to spread the workload. Currently, the Records Supervisor position is funded through tow revenue. In January, state statute mandated that vehicles cannot be towed for a simple civil sanction suspension on peoples' driver's licenses. This took away approximately 60 percent of revenue into the program.

The department seeks \$55,000 to upgrade forensic equipment in the Crime Lab. Only five of eight stations are fully operational in the COM center and \$60,000 will fund a sixth station. The Spillman Dashboard Module will allow for real-time collection of crime statistics.

Mayor Weise asked whether installing cameras on light posts and Ring cameras at strategic camera locations would assist with reducing and solving crimes more quickly. Chief Nannenga stated that Glendale has a real-time crime center, using data from 155 intersection cameras to address crimes occurring in real time. Vice Mayor Dennis inquired if three park rangers are enough. Chief Nannenga stated they currently have one and two additional should meet their needs.

Fire Chief, Jeff Case, presented on the following:

- Operating Budget Requests
 - Deputy Chief of Emergency Medical Services (\$285K)
 - Community Outreach Program Coordinator (\$150K)
- One-Time Requests
 - Firefighter Overtime (\$50K)
 - Radio Communications (\$20K)
 - Firefighter Equipment Replacement (\$100K)

Chief Case stated that 85 percent of the Department's work is in medical response. Currently, the Division Chief is managing both training and the EMS division. An EMS Deputy Chief will provide a strategic level of vision, oversight, planning, forecasting, budgeting and grant pursuit. Mr. Montoya noted that the departments were asked to tie requests to revenue generation. Once the contract with AMR is approved by Council and executed, this position is projected to pay for itself.

Chief Case stated that the Department currently has a Community Outreach Specialist, who is spread very thin trying to reach all schools. The Community Outreach Program Coordinator will enable the Department to develop a mentorship program, formal cadet program and effective community outreach. While crisis response programs have been effective in utilizing volunteer groups, this still requires oversight and program management to drive grant funding and coordination of volunteers. The budget request for overtime is simply to maintain department coverage. The equipment costs are to fund replacement of critically necessary equipment. In response to Vice Mayor Dennis's questions, Chief Case responded that these replacement costs are outlined in the budget

as a one-time cost; however, going forward they should be included as ongoing maintenance costs in the budget.

Public Works Director, Cindy Blackmore, presented on the following:

- Operating Budget Requests
 - Water System Needs (\$850K)
 - Equipment Mechanic (\$75K)
 - Field Superintendent (\$100K)
- One-Time Requests
 - Fuel Canopy (\$100K)
 - Vehicles (\$90K)

Ms. Blackmore stated that the department is not looking to add new programs, but merely funding to maintain current service levels. The water system continues to expand. The department will be looking to add an additional water operator and a compliance manager. There are increased water costs as part of the Tier 1 CAP shortage. There will also be costs with having Phoenix water treatment services and delivery fees for flows into Avondale. The department has not added positions for fleet equipment mechanics for a number of years. The budget request will assist with keeping up with best practices in the industry as well as meeting manufacturers' requirements for maintaining vehicles. The Field Superintendent request is growth-related. The addition of neighborhoods requires additional trash routes, street sweeping and other services. The fuel canopy, installed in 1999, requires maintenance and structural repair. The vehicle cost request refers to the position requests.

In response to a question from Vice Mayor Dennis, Ms. Blackmore stated that street overlays are done by Engineering. Public Works is responsible for maintenance.

Presiding City Court Judge Craig Jennings presented on the following:

- Operating Budget Requests
 - Interpreter Services (\$50K)
 - Court Security Officer (\$60K)
 - Reclassify Court Security Officer Position (\$5K)
- One-Time Requests
 - New Postage Meter Lease (\$1K)

Judge Jennings stated the Court had previously been under a ten-year contract, during which time there was no rate increase for interpreter services. In addition, the Administrative Office of the Courts requires that preference be given to credentialed interpreters. These conditions have led to the need for increased budget in this category. The addition of another Court Security Officer is necessary, based on recommendations stemming from a security assessment. The request for reclassification of the Court Security Officer Position is a result of change in law that requires a certification process for security officers. In response to a question from Council Member Malone, Judge Jennings stated that court security officers cannot be used at city hall as they require certifications specific to court.

Tracy Stevens, Deputy City Manager, presented on the following:

- Operating Budget Requests
 - Contract Building Inspector (\$100K)
 - Contract Engineering Inspector
- One-Time Requests
 - Project Management (\$210K)
 - City Campus Composting (\$5K)
 - Traffic Signal Replacements (\$300K)

Ms. Stevens stated that the contract building inspector request is intended to maintain current services. There are currently two building inspectors with a third inspector used in a contractor capacity. Maintenance of services is also the goal with the Project Management request. The Department contracts with a project manager for vertical developments. The City Campus Composting is a new program, as included in the goals of the sustainability program. Several traffic signals are nearing their term of life. The program will enhance equipment, including signal heads, wiring and cabinets. First on the list are Riley & Dysart and Central & Western. Vice Mayor Dennis commented that the frequency schedule for maintaining and repairing seal cracks and street resurfacing should be revisited. Ms. Stevens acknowledged that the current maintenance interval is between ten and 15 years. Council Member Kilgore concurred with Vice Mayor Dennis' comments, and asked if the department's equipment was up to date and whether new equipment was going to be purchased in the future. Ms. Stevens stated that the Department does not maintain a large inventory of equipment, as they employ contractors for most work.

Kirk Haines, Parks and Recreation Director, presented on the following:

- Operating Budget Requests
 - Contractual increases (\$425K)
 - 2 Recreation programmer positions (\$5K)
 - 3 Part-time park specialist positions (\$93K)
- One-Time Requests
 - Park security improvements (\$155K)
 - Festival Field improvements (\$120K)
 - Park equipment (\$80K)

Mr. Haines stated that the contractual increases primarily relate to special events, activities and programs. The request is for this to be an ongoing cost in the budget. The additional amount requested this year is due to the expansion of public facilities, including the resource center and police station expansion. The two Recreation program positions would be full-time, however the increased impact is only \$5,000. The intent is to eliminate four part time positions funded at 24 hours and replace them with two full-time Recreation programming positions. The expansion of Festival Fields and the need to maintain current park services led to the request for the three part-time (equivalent to 1.5 full-time) park specialist positions, primarily for weekend coverage.

The park security improvements will include installation of security cameras at Festival Fields, Friendship Park and Donnie Hale Park. Current implementation will occur at

Goodyear Farm Cemetery, including security camera installation. The Department is also looking to add fencing at Festival Fields. Other improvements at Festival Fields include renovation of restrooms and replacement of temporary fences. The park equipment request is primarily for turf and turf maintenance equipment throughout the system. They also install GPS equipment on parks equipment.

In response to a question from Council Member Malone, Mr. Haines stated that maintenance of the City Hall area is currently contracted maintenance. All public buildings are under a service contract.

Edith Baltierrez, Neighborhood and Family Services Assistant Director, presented on the following:

- Operating budget requests
 - Library Assistant - 2 FTEs (\$100K)
 - Resource Center Assistant (\$73K)
- One-Time Requests
 - Public safety housing incentive program (\$120K)
 - Resource Center facility equipment (\$16K)
 - Library material collection and maker space equipment (\$175K)

Ms. Baltierrez stated that the request for two library assistants is in response to a lack of sufficient staffing. The positions will assist in development and administration of programming for youth and adults. The resource center assistant position is in preparation for the new building opening next year. The Department currently facilitates the Public Safety Housing Incentive Program for police officers; the budget request would expand the program to fire personnel. The program incentivizes these individuals to purchase homes in the City of Avondale by helping with closing costs and down payment. The program provides \$20,000 in incentives per individual and targets six individuals per year.

In response to a question from Vice Mayor Dennis, Ms. Baltierrez stated that participants are required to remain living in the home for a period of five years after purchase. The resource center facility equipment request will replace equipment for Senior Services. The library material collection is very outdated and the budget request will enhance level of service. Maker Space Equipment will support activities for science, technology, 3D printing, sewing, knitting, crocheting. The Department would also like to maintain its contracts with virtual online audiobooks. Staff visited four libraries in the Phoenix Metro area that have Maker Spaces and they received significant feedback regarding recommended equipment purchases. Council Member Malone asked whether the additional assistant positions will allow the library to be open longer. Vice Mayor Dennis added that the hours were cut back during the downturn and were never reestablished. Mayor Weise asked staff to look at this further for an upcoming discussion. Council Member Malone suggested a survey of library card holders for feedback on desired hours.

Vice Mayor Dennis noted the absence of any requests to address homelessness. Mr. Montoya stated that staff is working on development of a program and will bring it to

Council for consideration at an upcoming session. Vice Mayor Dennis expressed concern that funding be incorporated in the budget.

Tracy Stevens, Deputy City Manager, presented on the following:

- Operating Budget Requests
 - Marketing (\$125K)
 - Marketing & Tourism (\$135K)
 - Pilot restaurant business assistance program (\$250K)
- One-Time Requests
 - Opportunity Fund (\$2M)
 - Health-Tech Corridor gap analysis (\$25K)

Ms. Stevens stated that the \$125,000 marketing request addresses citywide parking efforts. A portion of the Marketing & Tourism budget comes from the Arizona Office of Tourism. The City provides a specified amount to ISM for out of state marketing for items such as racing events. Mr. Montoya added that much of the funding comes from hotel taxes submitted to the State. Avondale simply submits a request each year to indicate what it would like to do with its funding amount, however the City does not maintain actual control. Bringing funding back to the City will allow this control. This is particularly important, in that over the next two to three years, the number of hotels in the City are expected to triple. Mayor Weise stated he was in favor of retaining spending control over the funds, as the City knows best how to manage its tourism funds.

In response to a question from Vice Mayor Dennis, Mr. Stevens stated that 30 percent goes to ISM, and part to Tres Rios. Mr. Montoya suggested adding a section to the City's RAVE Review magazine and making them available in City hotel rooms.

Ms. Stevens stated that the Pilot Restaurant Business Assistance Program is an opportunity for the City to bring in full service restaurants. This would provide incentives by way of discounts in plan review and building permit fees. Qualifying restaurants would be over 3,500 square feet and be full service.

The Opportunity Fund budget request is intended to maintain services. The Fund is utilized for development agreements and any incentivizing. Currently, the Department is working on three projects that will be coming out of the fund. The Health-Tech Corridor Gap analysis will explore what elements and industries are currently not represented in the Corridor.

Mayor Weise commented that the Economic Development team is understaffed and there is no budget item for staffing. Mr. Montoya stated that this subject came up two weeks ago and that there is a need for staff who can be focused on restaurants and retail. The staffing request is not yet included, but will be addressed in the near future. Mayor Weise recommended adding at least two people in the Department.

Vice Mayor Dennis requested an accounting of the businesses which have applied for and completed the façade assistance program.

Note: City Council adjourned for a recess at 6:23 p.m. and reconvened at 6:35 p.m.

Michael Wawro, City Attorney, presented on the following:

- Operating Budget Requests
 - Professional Development, Training and Related Travel (\$40K)
- One-Time Requests
 - Law Library (\$7K)
 - Legal Information Resources (\$36K)

Mr. Wawro discussed the professional development budget, which involves conferences for staff to learn about topics relevant to the City, such as ADA issues and marijuana-related legislation. The law library request involves a small conversion of cubicles to a law library. Legal information resources addresses paperless needs.

Gina Montes, Assistant City Manager, presented on the following:

- City Clerk's Office Operating Budget Requests
 - Reclassify Part-Time Position (\$34K)
 - Contractual Increases (\$4K)
 - E-Signatures (\$10K)
- City Clerk's Office One-Time Requests
 - 2020 Elections (\$70K)
- Community Relations Operating Budget Requests
 - RAVE Review Magazine – Increase Quantity
 - Social Listening Platform
- Community Relations One-Time Requests
 - Brand Content / News Placement
- Finance and Budget Operating Budget Requests
 - Banking / Investment Fees
 - Accountant Part-Time to Full-Time
- Finance and Budget One-Time Requests
 - Selected Audits
- Information Technology Operating Budget Requests
 - Annual Software Maintenance Inc.
 - Network Engineer
 - Cybersecurity
- Information Technology One-Time Requests
 - Asset Management System
 - Security Cameras
- Human Resources Operating Budget Requests
 - Risk Management Insurance Premiums
 - Risk Management Software Program Annual Costs
- Human Resources One-Time Requests
 - Risk Management Software Purchase and Implementation
 - City-Wide Training
- City Manager's Office Operating Budget Requests
 - Innovation Program
 - Professional Development, Training, and Memberships

- City Manager's Office One-Time Requests
 - Strategic Plan Update
- Intergovernmental Relations Operating Budget Requests
 - Federal Representation
 - Travel Increase
 - Additional Meetings Attendance

Ms. Montes stated that the \$70,000 budget request for elections will fund the publicity pamphlets. The RAVE Review Magazine budget will increase the number of pages in issues and will fund additional printing and mailing costs. Council Member Nielson commented that Goodyear issues its magazine on a monthly basis and that it includes human interest stories, project groundbreaking and updates on road construction. He expressed a desire to have RAVE published on a more frequent basis. Discussion ensued regarding the possibility of selling advertising space in the magazine to fund more frequent publication. Staff will look at possible options for future discussion.

Ms. Montes stated that the Social Listening Platform will monitor all social media outlets and provide usable feedback. The request is to add the funding on an ongoing basis. The one-time request for brand content/news placement will fund paid advertising.

Ms. Montes explained that the banking/investment fee request is largely as a result of the City's more active investment strategy. An additional request will fund the conversion of a part-time accountant position to full-time.

For the new budget, staff consolidated the vast majority of IT expenditures previously distributed throughout the departments. This will provide a better understanding of how much the City is spending overall. The budget for annual software maintenance includes Citywide inflationary costs, updates, support and licensing. The requested full-time network engineer (\$90,000) position will provide staff continuity and coverage. A budget of \$90,000 is requested for enhanced cybersecurity. A new asset management system (\$170,000) will provide an enhanced level of service and will replace the current system. Multiple departments require access to asset management. The budget for security cameras (\$100,000) will provide traffic cameras with advanced capabilities. Funding will also address the security assessment of the City Hall Campus, City Council Chambers and cameras in City Hall.

The HR request will fund \$200,000 for an increase in risk management insurance premiums as well as \$30,000 for risk management software program annual costs. One-time requests include software purchase and implementation at \$100,000 and Citywide training at \$50,000.

The City Manager's Office budget includes a \$5,000 request for the Innovation Program and \$8,000 for enhanced level of services via professional development, training and memberships. One-time requests include \$40,000 for a Strategic Plan update.

Intergovernmental Relations is requesting \$15,000 to continue representation at the federal level. Modest requests are made for travel increases and meeting attendance.

Ms. Duncan presented on the following:

- Other Planned Costs
 - Fire Station Staffing
 - Project Management and Inspection Staffing
 - Retirement System Changes
 - Employee Compensation
 - Employee Insurance and Other Benefits
 - Regional Agreements
- Capital Improvement Plan
 - Capital Projects are generally over \$100,000 and have a useful life of at least five years.
 - Asset replacement includes vehicles, equipment, streets, and more.
 - City Council appropriates funding for the first year through budget adoption.
 - Balanced five-year plan during budget process.
 - Project priority identified by departments.
 - New projects/increased project costs need additional resources
 - Key Terminology
 - Funded – Resources are identified, and expenses budgeted. The first year of the CIP is funded as part of budget process.
 - Planned – Resources are identified and in the five-year CIP plan.
 - Unfunded – Project identified but the resources have not yet been identified.
- CIP project costs have increased in recent years due to competition for skilled labor, cost of raw materials, land acquisition costs, refining project scopes, and aging assets
- The largest funding sources are operating transfers but are one-time uses. In Fiscal year 2020, \$16.9 million came from the General Fund with \$35.9 million in total.
- Development fees are identified in the Infrastructure Improvement Plan and can be used for new growth only.
- Capacity in General Obligation and Revenue bonds to assist with projects.
- General Obligation require voter approval
- Streets CIP have the following projects funded:
 - 107th Avenue/McDowell
 - Van Buren multi-use path
 - Fairway Drive improvements
 - Preventative street maintenance
 - Avondale Boulevard–McDowell to Encanto
 - Dysart/Rancho Santa Fe
 - Maricopa and Avondale Blvd
 - Citywide street overlay
 - Historic Avondale design
- Streets CIP have the following projects planned:
 - Historic Avondale construction
 - Van Buren – Fairway to 121st Ave
 - Roosevelt and 99th intersection improvements

- Avondale Boulevard landscape and median improvements
- Streets CIP have the following projects unfunded:
 - 107th and McDowell additional cost
 - Verde Trails street improvements
 - Garden Lakes Parkway improvements
 - 119th Ave road connection
 - Pedestrian bridge over Avondale Boulevard
 - BLVD improvements
 - 107th Ave widening
 - Wayfinding Historic Avondale
 - El Mirage Bridge – City/County project
 - Dysart Road sidewalk/median: Van Buren – MC 85
 - Dysart Road median modifications: McDowell – Osborne
 - Roosevelt Street
 - Western Avenue pavement replacement
- Police CIP have the following projects funded:
 - Property and Evidence Room
 - Command vehicle
- Police CIP have the following projects planned:
 - Detention Center and Police Substation
 - Alamar Ranch Substation
- Police CIP does not have any projects unfunded
- City Courts CIP have the following projects unfunded:
 - Expand Lobby
 - Security Office
 - Expand Jury Assembly Room
- Fire CIP have the following projects funded:
 - Replace Training Facility Support Building
 - Fire Apparatus Refurbishment
 - Command Vehicle
- Fire CIP have the following projects planned:
 - Alamar Fire Station
 - RWC Radio System
- Fire CIP have the following projects unfunded:
 - Relocate and Reconstruct Fire Station 171
 - Self-Contained Breathing Apparatus
 - Improvements to training grounds
 - Heart Monitor Replacements
- Parks CIP have the following projects funded:
 - Festival Fields
 - Friendship Park enhancements
 - Neighborhood Park enhancements
 - Goodyear Farms Cemetery improvements
 - Court and Finance improvements
 - Sustain building infrastructure

- Parks CIP have the following projects planned:
 - Alamar Community Park
 - Sustain existing building infrastructure
 - Community Center repurposing
 - Neighborhood Park enhancements
- Parks CIP have the following projects unfunded:
 - Crystal Gardens improvements (
 - Care 1st repurposing
 - Avondale Sports Complex turf replacement
- General Government CIP have the following projects funded:
 - Resource Center
 - Civic Center Park land acquisition
 - Technology infrastructure and communications systems
 - Civic Center land acquisition for office building
 - Civic Center Library study
- General Government CIP have the following projects planned:
 - Civic Center office building
 - Enterprise Resource Planning Software Upgrade
- General Government CIP have the following projects unfunded:
 - Fiber infrastructure
 - Wireless in City common area
 - Pilot of public Wi-Fi
- Water CIP have the following projects funded:
 - North Avondale water supply
 - Reservoir repairs
 - White Mountain Water Settlement
 - Well at 107th and Encanto
 - Water system line replacements
 - Wellsite 7 improvements
 - Waterline El Mirage
 - Gateway nitrate treatment
- Water CIP have the following projects planned:
 - Historic Avondale improvements
 - Water system line replacements
 - Rio Vista waterline replacement
 - Garden Lake nitrate equipment
 - Zone 1 and 2 water distribution
 - Well 27 and transmission line
 - Wellsite 7 improvements
- Water CIP have the following projects unfunded:
 - BLVD well and pipeline
 - Booster station rehabilitation
- Water CIP have the following projects funded:
 - Large diameter sewer line replacement
 - Dysart Road sewer replacement

- Sewer system improvements
 - Lift Station Improvements
 - Water reclamation facility building improvements
 - Secondary clarifier
 - Relocate Riley lift station
- Water CIP have the following projects planned:
 - Large diameter sewer line repair
 - Grit system and odor control system
 - Dysart Road sewer replacement
 - Citywide sewer improvements
 - Lift station rehabilitation
 - Historic Avondale improvements
- Water CIP have the following projects unfunded:
 - Grit chamber
- The Durango Channel is currently unfunded
- Forecast
 - Continued growth
 - Small recession
 - General sources and uses

Ms. Duncan stated that adding the new fire station will require a minimum increased budget of \$1.5 million for staffing. Planning should begin now in terms of setting aside funding. The Chief should be allowed to hire positions in advance, to allow time for the recruitment process and graduation through the academy. There was discussion regarding an upcoming study regarding potential station analysis, staffing, response times and proposed site locations.

Ms. Duncan noted that for the CIP, asset replacement items are included, as they use the same funding as most CIP programs, outside of development impact fees. Staff is working with departments to better define needs and programs.

For the CIP, Council appropriates funding for the first year through the formal budget adoption process. There is a forecast of available resources. The resources are programed for spending over the next five years. Projects are prioritized by the departments by way of master plans, strategic plans and contractual obligations. There is also feedback from the public and Council. The goal is to fund projects in priority order. For new projects and increased project costs, additional resources must be identified. Projects fall into three key categories: funded, planned and unfunded. There are expenditure pressures on the CIP, as costs have increased significantly in the past 18 to 24 months. The City is refining project scopes over the life of the individual projects. Aging assets are also contributing to expenses.

Funding sources were reviewed and projected amounts are included as part of the forecast. This includes development impact fees. It is critical that these items are identified in the infrastructure improvement plan, which is updated every five years.

These fees may only be expended for new growth items. It was discussed that State laws have limited the categories that may be charged to developers for impact fees.

Ms. Duncan noted that there is outstanding voter approved capacity on general obligation bonds in the utility infrastructure area. The policy is not to use these first, but to go to revenue bonds instead. There is some capacity in streets, planned to be recommended for use next year. There is also capacity in general government buildings that are planned to come before Council for recommendations in the coming months. The Streets CIP funded projects for 19/20 were reviewed. Also reviewed were planned and unfunded projects. Preventative street maintenance funds slurry seals and other maintenance items. Citywide street overlay funds new pavement and roads.

Council Member Malone asked if CDBG funds can be used for the Historic Avondale Design. Mr. Montoya said he would not recommend this, as those federal housing dollars are to be used for a specified part of the community. Ms. Duncan stated that the cost would come from streets funding. Discussion ensued regarding the various unfunded street projects.

Ms. Duncan reviewed the Police Department funded and planned projects. The Police CIP does not include any unfunded projects. There is consideration for moving the location of the police station, however, an alternative site has not yet been identified.

The City Courts have three CIP items currently unfunded and each having a cost of approximately \$75,000.

For the Fire Department planned list, there is an opportunity to use some development impact fees towards the Alamar Fire Station. Unfunded items were reviewed. In response to a question from Council Member Malone, Chief Case confirmed that the Department is exploring grants for the self-contained breathing apparatus. Collaborative purchases are also being considered.

For the Parks CIP Friendship Park enhancements and Neighborhood Park enhancements, staff is working to break these down further to determine which components would be recommended for a sales tax or a future general obligation bond question. Vice Mayor Dennis asked about the Goodyear Farms improvement. Ms. Duncan stated that the budget request covers irrigation, lighting, gate and parking lot improvements. The Alamar Community Park is impact-fee eligible, and such funds will be used where possible. However, initial funding may need to come from another source and repaid with impact fees as the community develops. The unfunded Avondale Sports Complex projects include turf replacement, roof repairs and HVAC.

Vice Mayor Dennis noted that the Agua Fria trail project has gone unfunded for a number of years. She receives many comments from residents that other communities have made a commitment to developing their riverfront areas. Mr. Montoya stated that staff is working on mapping out the entire community, including trails, with a goal toward connectivity.

Vice Mayor Dennis asked what is being done to address poor water pressure in the north. Staff will look into this and bring information back for a future meeting.

Mayor Weise inquired as to the BLVD well and pipeline cost. Mr. Montoya clarified that the cost reflected is the total amount, not the City's portion, which is approximately one-third of the total. In response to a question from Mayor Weise, Ms. Duncan stated that refinements to the budget would be performed by staff prior to a re-presentation of the items to City Council in the spring.

In response to a question from Vice Mayor Dennis, it was noted that the Water Reclamation facility building improvements will complete the improvements to the existing facility. The Dysart Road sewer replacement project is currently under design. The project goes from Riley to Lower Buckeye and represents significant rehab to existing infrastructure along Dysart. Much of the work will be completed without tearing up significant portions of roadway. It was explained that a grit chamber is a large piece of equipment that removes sand, gravel and debris from wastewater.

Ms. Duncan reviewed the forecast for the General Fund, assuming continued growth of approximately 3 percent. As total base expenses come closer to total resources, other areas must necessarily be reduced. This includes ongoing transfers and planned transfers to capital (CIP) and asset replacement. The possibility of a small recession will greatly impact this ratio. Mayor Weise noted that the City has diversified its incoming revenue since the 2008 recession. The City must continue its focus on economic development while being fiscally conservative with growth projections.

Ms. Duncan stated that the fiscal year was begun with approximately \$37 million in the General Fund and noted that Public Safety sales tax revenues are not permitted for General Fund uses, unless they pertain to public safety. The minimum fund balance per the reserve policy is \$30.7 million. This leaves a balance of \$6.6 million for one-time expenditures. For ongoing sources, the total is \$69.4 million with ongoing uses at \$64.2 million, leaving a \$5.2 million balance. Ongoing source use funds are eligible for one-time uses. Some one-time permit-related revenues have been identified and total \$3 million. In total, approximately \$9.6 million is available to spend out of the General Fund in addition to the ongoing balance of \$5.2 million. Interestingly, the requested total for ongoing is \$5.2 million. One-time requests total \$124.7 million.

Council members thanked staff for the in-depth, informative presentations.

3. ADJOURNMENT

There being no further business before the Council, the meeting adjourned at 8:13 p.m.

Kenn Weise, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Retreat of the City of Avondale held on the 2nd December 2019. I further certify that the meeting was duly called and held and that the quorum was present.

Marcella Carrillo, City Clerk