MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
ARIZONA COMPLETE HEALTH AVONDALE RESOURCE CENTER
January 10, 2022

A **Budget Retreat** of the City Council of the City of Avondale, Arizona was convened at 995 East Riley Drive in open and public session at 4:10 p.m.

Members Present: Mayor Kenn Weise; Vice Mayor Veronica Malone; Council Members Tina Conde, Curtis Nielson, and Mike Pineda.

Members Absent (Excused Absence): Council Member Bryan Kilgore.

Other Municipal Officials Present: Cherlene Penilla, Acting City Manager; Tracy Stevens, Deputy City Manager; Lindsey Duncan, Deputy City Manager; Nicholle Harris, City Attorney; Marcella Carrillo, City Clerk; Kirk Beaty, Public Works Director; Cheryl Carrasco, Human Resources Assistant Director; Ken Chapa, Economic Development Services Director; Tony Corsi, Fire & Medical Director; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Keith Fallstrom, Interim Finance and Budget Director; Bryan Hughes, Parks and Recreation Director; Craig Jennings, Judge; Chris Lopez, Neighborhood and Family Services Director; Callie McGraw, Interim Human Resource Director; James Milanese, City Projects Administrator; Kevin Murphy, Development and Engineering Services Director; Dale Nannenga, Public Safety Chief; Jodie Novak, Assistant Director of Development and Engineering Services; Marshall Pimentel, Intergovernmental Affairs Administrator; Kathy Reyes, Benefits Program Manager; Abril Ruiz-Ortega, Court Administrator; Torin Sadow, Management Analyst; Jeffrey Scheetz, Chief Information Officer; and Pier Simeri, Marketing and Public Relations Director.

Note: Callie McGraw, Interim Human Resource Director; Kevin Murphy, Development and Engineering Services Director; and Marshall Pimentel, Intergovernmental Affairs Administrator joined the meeting virtually.

Audience: No members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. COUNCIL BUDGET DISCUSSION
Staff presented an update on the City's financials, the current economy, capital improvement projects, self-funded employee benefits/insurance, employment statistics, and department needs for Fiscal Year 2023.

- Financial Review and Economic Update

Keith Fallstrom, Interim Finance and Budget Director, provided an overview of the City’s financial revenues and budget over the past several years. Over the past five years, revenue has increased by more than $20 million, with expenses also trending upwards. Uses have been below revenue and the Fund balance has been growing. For Fiscal Year

2022, uses are budgeted to exceed sources, but this is largely due to the number of one-time capital projects. It is forecasted that the monies will be spent this year; however, some may be carryforward into the next year. Staff levels have increased by over 200 employees since 2018 and a brief breakdown of department growth was provided.

In response to a question by Vice Mayor Malone, Mr. Fallstrom provided additional details on the changes in the positions.

The overall revenue estimate for 2021 was $94.6 million with the actual total at $101.7 million for a difference of $7.1 million for general government revenues. The expenditure estimate for 2021 was $84.3 million with the actual total at $75 million for a difference of $9.3 million. It was estimated that the City would spend more for one-time capital projects, but these were not spent and will be carried over. The fund balance was estimated to end at $57.3 million; however, the actual ending balance was $75.6 million, for a difference of $18.3 million. Due to budget adjustments, much of this has been spent. For Fiscal Year 2022, the City added $13.3 million in supplementals. An overview of the specific amounts was provided.

For Fiscal Year 2021 year to date through November, the City collected $33.7 million in revenue, most from sales tax and state shared revenue. The budget forecasted collection of $31.6 million. For Fiscal Year 2022 year-to-date, the City has collected $35.8 million. This exceeds last year by 6 percent and exceeds the budget forecast by 13 percent.

In response to a question from Vice Mayor Malone, Mr. Fallstrom provided an overview of how the City spent CARES Act funding received from the federal government in the amount of approximately $9 million, which was used to fund salaries for public safety. American Rescue Plan funds to the City totaled approximately $18.2 million. Council has approved allocation of a portion of these dollars. Plans for spending the remainder will be part of the budget process.

Mr. Fallstrom gave an overview of retail sales in the City with the totals exceeding last year's totals as well as the forecasted totals. The budget was for $20.3 million in sales tax and actuals received totaled $23.7 million. The Fiscal Year 2022 expenditure budget is $143.7 million and through December 2021, $39.2 million has been expended. For Fiscal Year 2022, the budget has already been adjusted to add 25 additional positions. The City has funded the Aquatic Center, BLVD commercial building, replenished the Economic Opportunities Fund and funded bridge housing.

In response to a question from Council Member Nielson, Mr. Fallstrom stated that when inflation causes an increase in project costs, these are brought back to Council for review and budget increases at Council's discretion.

Mr. Fallstrom noted that the City is utilizing portions of its fund balance; however, is not dipping into its reserve, which is the 35 percent stabilization level. Very little debt has been issued to fund one-time projects. A review of recent bond sales was provided, with a very strong all-in rate of 2.16 percent. The City has received a AAA rating from Fitch

Ratings and an AA1 rating from Moody's, which are both upgrades reflecting the City's strong financial position.

Robert Baer, Budget Manager, provided a report on economic indicators, including a review summary of the Federal response to the coronavirus infectious disease (COVID-19). The City has felt supply chain issues due to labor shortages, inflation, construction cost increases. There has been a tapering of federal support and there will be an impact on state flat tax. Personal income levels, home prices, employment, inflation and tourism levels for Arizona were discussed. Unemployment claims are down 71.7% from last year, hourly wages rose 2.9% annualized growth in October 2021, and inflation for the United States is at 6.9% annualized over the past month which is the highest level seen in the past 40 years.

In response to a question by Mayor Weise regarding predictions of the future economy, Mr. Baer noted there are items that bare caution that the Finance and Budget Department will continue to monitor.

Mayor Weise spoke about the possibility of income tax changes in the future.

Council Member Nielson spoke about concerns with the current labor shortages and the impact of staffing of the City aquatics center and businesses within The BLVD.

- <u>Capital Improvement Update</u>

James Milanese, City Projects Administrator, provided an overview of high impact projects in the CIP within six functional areas: Civic Center Campus; BLVD Plan Area; Public Safety; Parks/Neighborhood & Family Services; Streets and Utilities. The Civic Center Campus consists of nine projects with a budget of $34.4 million. A timeline for completion of the Visitor and Conference Center was provided. An update was given on several additional projects, including: Raceway tenant improvements; Civic Center wayfinding signage and Civic Center marquee sign.

Council Member Nielson suggested consideration for "Welcome to Avondale" signs in appropriate locations in the City. Jodie Novak, Assistant Director of Development and Engineering Services, stated that the Development and Engineering Services has a wayfinding sign plan and such signs is a current topic for team discussion.

Mayor Weise requested an update on the City sign plan in the near future.

Mr. Milanese continued with project updates, including: Plaza and Streetscape at City Hall and City Hall tenant improvements and schedule.

In response to a question by Mayor Weise, Joel Evans, Facilities Director, stated improvements to City Hall include interior paint and furniture upgrades. The furniture installation will be contracted out and the paint will be completed by City staff.

In response to a question by Vice Mayor Malone, Mr. Evans stated City Hall cubicle furniture is being replaced and should be delivered in a timely fashion.

In response to a question by Council Member Conde, Mr. Evans stated the breakroom and conference room improvements are scheduled in a future Capital Improvement Projects budget.

In response to a question by Vice Mayor Malone, Mr. Evans stated technology in the conference rooms was recently updated.

Mr. Milanese continued with project updates, including: Aquatic Center; Civic Center Park; City Court Lobby; BLVD Water features, BLVD parking garage, BLVD marquee sign, and BLVD sand volleyball courts.

In response to a question by Vice Mayor Malone, Mr. Milanese stated the BLVD marquee sign can advertise City events, but staff are currently working through a use policy as the sign will be used for private use as well.

Mayor Weise opinioned that sand volleyball courts add value to youth sports.

In response to a question by Vice Mayor Malone, Bryan Hughes, Parks and Recreation Director, stated staff believe they can use the space for sports programming.

Mr. Milanese continued with project updates, including: Fire Station 175, police/detention substation, Fire Station 171, and Fire Station 172 parking improvements.

Mr. Milanese continued with project updates, including: Bridge housing, Alamar Park, Donnie Hale Park, Community Center repurposing, Agua Fria Wetlands Park.

In response to a question from City Council, Chris Lopez, Neighborhood and Family Services Director, stated the bridge housing project will consist of small housing structures built on permanent foundations. Families in transition will be provided with housing for six-to twelve-months, while permanent housing solutions are identified. Mr. Lopez spoke about the residents being on a sliding scale for income qualifications. The homes will be 600 square feet in size.

Mr. Milanese continued with street project updates, including: 119th Avenue and McDowell, 119th Avenue extension, expansion of Avondale BLVD from McDowell to Encanto, Avondale Blvd., Phase 2 landscaping, 107th Avenue & McDowell widening, Old Town roadway and utilities improvement.

Mr. Milanese continued with Public Works project updates; BLVD well and transmission line, 10th Street Lift Station improvements, distribution pressure improvement projects, and Dysart Road sewer replacement from Riley to Coral.

Mr. Milanese provided a list of upcoming projects and an overview of the CIP timeline.

Vice Mayor Malone inquired about availability of funding the CIP projects listed. Mr. Milanese stated that the funding is present; however, projects that are years out will have to be revaluated for funding on a yearly basis.

Vice Mayor Malone stressed the importance of completing installation of the traffic signal on Avondale Boulevard and Lower Buckeye. Ms. Novak stated that the traffic signal for all four corners is currently in design with hopes to begin the project in fall 2022.

Mayor Weise commented that the chambers remodel is not a priority for the Council.

Vice Mayor Malone said that she would like to see ad hoc signage from 119th and McDowell Road relocated near the Littleton Elementary School near on Avondale Boulevard and MC85.

In response to a question from Council Member Nielson, Mr. Milanese acknowledged that there has been an overall reduction in the number of contractors responding to project RFPs, likely due to labor shortages; however, submittals are still being received. There are more challenges with smaller subcontractors who may temporarily lose swaths of staffing due to COVID-19 infections.

City Council recessed the Budget Retreat at 5:23 p.m. and reconvened at 5:45 p.m.

- <u>Self-Funded Employee Benefits/Insurance</u>

Kathy Reyes, Benefits Program Manager, reviewed that in July 2021, the City worked with the Arizona Metropolitan Trust to create the City of Avondale Employee Benefit Trust. With this change, Mayo Clinic has been added to the network. Flex spending limits were raised to $2,750. Arizona Blue Care Anywhere replaced the previous telemedicine program. A 24-hour nurse line is available through Blue Cross Blue Shield of Arizona. An overview of the employee benefit trust demographics was provided.

Mr. Fallstrom stated that while it is early in the year, currently year-to-date, contributions exceed expenses by $835,000 through 12 pay periods. Claims typically do not come through the system for several months. For dental, contributions also exceed expenses; however, there is a claims lag in this area. The City will be using a consultant to assist in forecasting future expenditures.

- <u>Employment Statistics</u>

Cherlene Penilla, Acting City Manager, addressed the “Great Resignation,” which is the term given to the trend of employees quitting jobs in numbers never seen before. A total of 4.5 million Americans quit or changed jobs in November 2021. Projections indicate that the trend will continue in 2022. Over 50 percent of U.S. workers report that they will seek a new job in the coming year, 56 percent indicate that flexible hours and the ability to work remotely is a priority. The City recognizes this and attempts to provide the option where practicable.

The Society of Human Resources has provided insights based on surveys, which indicate that workers are frustrated with the lack of life balance and overworking. Approximately 55 percent of workers question the adequacy of their pay; 52 percent of those who remained in jobs were required to take on increased responsibilities without commensurate pay raise. Approximately 30 percent of employees stated they struggle to complete necessary work and 27 percent feel less loyalty towards their current employer. The largest age demographic of participation in the Great Resignation is workers aged 30 to 45, however younger workers saw a decrease in resignation rates.

Torin Sadow, Management Analyst, provided Avondale-specific statistics. Top five reasons for employee resignations include:

- Better opportunity
- Personal reasons
- Work conditions
- Supervisor
- Relocating

Full-time equivalent counts between 2021 and 2022 increased from 625.75 to 688.05 for a total of 728.05 FTEs. Employment application statistics per recruitment were reviewed. Employee turnover between 2017 and year-to-date is 9.57 percent with 2020 and 2021 rates being 11.67 and 11.69 percent, respectively. It is expected that the turnover rate for 2022 will be comparable to that of 2021. Once hired, Avondale employees spend an average of approximately seven years working for the City, which places Avondale three years higher than the national average of four years.

In preparation for the City's November 8, 2021 department director budget retreat, department directors were asked to fill out a survey to provide feedback as to how the City can improve retention of employees.

Five categories were identified in ranked order:

- In-person employee event
- Management communication and engagement
- Professional development and training
- Employee recognition and appreciation
- Realistic project deadlines

The department director budget retreat also included a focus discussion period. It was noted that employees often separate from the City for better opportunities and Avondale may be able to retain employees by providing a more flexible schedule, hybrid scheduling and work/life balance. The focus group indicated that providing professional development and training opportunities and goal setting would help better engage the City's workforce. More in-person employee engagement events will also assist with engagement.

Vice Mayor Malone asked whether employees will continue to be offered remote work options. Ms. Penilla confirmed that such opportunities will be available but will be left to the direction of department directors, who are in the best position to determine which positions are most suited for remote work.

Vice Mayor Malone asked for clarification of the term “better opportunity,” as the common explanation given by employees leaving City employment. Ms. Penilla stated that surrounding cities are competing for staff. Workers are always looking for opportunities for advancement. Avondale does pay higher than the County and the State. Surrounding cities are offering sign-on bonuses for difficult to hire positions. Thus far, Avondale has done a good job attracting personnel and has not had to offer such bonuses, particularly within the police department.

Vice Mayor Malone inquired about employment conditions with the Fire Department. Ms. Penilla stated that there is little turnover in the Fire Department. Firefighters typically remain with a department for the life of their career. In response to a question from Council Member Malone, an overview of training and development for the police department was provided by Dale Nannenga, Public Safety Chief.

Council Member Nielson noted that the department directors provided survey results on retention of employees and that it would be helpful to have input directly from employees. It is notable that the directors did not address salary and that this is among the top priorities for employees, particularly in terms of retention.

Council Member Conde asked whether the City offers referral fees for employees. Ms. Penilla confirmed that this has been done at times in the past but did not appear to be particularly effective. Sign-on bonuses may create pushback from current employees who see onboarding employees receiving bonuses. Council Member Conde suggested looking at creative ideas that have been successful in surrounding cities, such as the possibility of providing childcare for the children of City employees.

<u>Department Budgets</u>

Dale Nannenga, Public Safety Chief, presented on the Public Safety Department budget, which is the newest department in the City. Department objectives include: Provide oversight to the Police Department and Fire Department; oversee emergency management; plan for public safety needs; assist with issues related to homelessness, special events and security. They have added a lieutenant position to the Office of Public Safety. That position will provide oversight to code compliance. Code Compliance is being moved to the Office of Public Safety. The security officers will be brought to Public Safety as well. A Threat Liaison Officer (TLO) Captain has also been added and will serve as a liaison between Avondale and Arizona Intelligence Center. A new position, Accountability Inspection Officer in the Police Department has completed 41 inspection topics thus far. These are proactive inspections, not seeking corrective action, but with a focus on improvements.

Future needs and issues include:

- Review and audit of compliance with policies and procedures

- Recruitment of public safety positions
- Support staff and resources for new department

The department budget is $1 million, which includes FTEs. Some positions from Police and Fire will be moved into this budget in the next month.

Memo Espinoza, Police Chief, presented on the Police Department budget. Chief Espinoza provided an overview of accomplishments:

- Added a substation at 107th and McDowell (Fire Station 172)
- Completed the Main Police Department expansion and remodel
- Added a working K-9 sergeant position
- One of the first agencies to be certified with the FBI's new incident reporting systems
- Expanded municipal security program to six officers and one supervisor
- Successfully implemented the IGA requirements with Litchfield Park to provide police and fleet services

Plans for Fiscal Year 2022 include:

- Hold one teen academy and one citizen police academy
- Attend Homeowner's Association (HOA) meetings within each area of the City
- Continue to provide quality police services to Litchfield Park
- Implement the final phase of the body-worn camera program
- Implement a 10th patrol beat for the far south portion of the City
- Continue to work with NFS on homeless outreach programs
- Continue to implement enforcement details for illegal fireworks for the 4th of July and New Year's Eve
- Continue to provide law enforcement support during the two National NASCAR Races

Future needs include keeping staff levels on pace for growth, including developing strategies to attract and retain quality personnel; adding a tenth beat in the southern area of the City; develop strategies to address the homeless population; continue to work with Phoenix Raceway staff to ensure safety and security of those attending events.

Vice Mayor Malone asked about policies to assist employees who contract COVID-19. Chief Espinoza stated that staff who report a COVID-19 infection of a spouse or family member and must quarantine at home are offered temporary work at home options.

Tony Corsi, Fire & Medical Director, presented on the Fire and Medical Department budget. Mr. Corsi listed the Fiscal Year 2021 accomplishments as follows:

- Established temporary Fire Station 175 on May 31, 2021
- Received SAFER grant to hire 14 firefighters for Fire Station 175
- Deputy Fire Chief for Emergency Medical Services (EMS) position created

- Acquisition of new safety equipment
- Daily operations briefings for City's COVID-19 response
- Mentored over 25 middle school students
- Hired a Division Chief for professional development and training
- Created 5-year plan for asset replacement

Highlights and future plans for Fiscal Year 2022 include:

- Construction of Fire Station 175 with completion in spring 2022
- Formalize high school program and improve outreach to teenagers and young adults about fire service
- Upgrading and replacing portable radios
- Continued asset replacement, including heart monitors
- Reorganized system of training
- Established a strategy for a reserve engine program
- Created a Fire Inspector position to keep up with City growth
- Created Low Acuity Unit and hired additional staffing
- Created Apparatus Replacement Plan to manage aging fleet

Future needs include improved data analytics, additional training for new staff, increased EMS supplies and additional safety equipment to accommodate growth and current safety standards.

Mayor Weise addressed two issues related to Phoenix Raceway: The opening of the second fire station for weekend races in March and November; and a second water tender and requested that this be discussed in more detail at the next budget meeting.

Council Member Pineda inquired about the middle school mentor program. Mr. Corsi stated that the program was developed by the Fire Department to raise interest with middle school students towards careers in the field.

Council Member Pineda stressed the importance of providing personnel with quality engines and equipment for the sake of the City and its residents as well as the well-being of the firefighters themselves. Mr. Corsi stated that he has given instructions to upgrade to better suspension systems for any newly acquired engines.

Council Member Nielson asked how the department software interfaces with the City's software. Mr. Corsi stated that they are ahead of the game, in that they have already consulted with IT regarding the analytics. The hard data plan can be used with the existing software.

Vice Mayor Malone requested further information regarding the department's daily operations briefings for COVID-19 response. Mr. Corsi stated that this is a big-picture briefing and discussion from a department level through City level, state levels and includes vaccination rate updates.

Vice Mayor Malone asked how the City takes care of new staff who may contract COVID-19, but who may not yet qualify for sick time compensation. Mr. Corsi said that during the peak infection rates, employees had immediate access to 80 hours of sick time for COVID-19 related illness.

Craig Jennings, Judge, presented on the Court budget. Judge Jennings discussed 2021 accomplishments, including a new court logo; enhanced security, expended use of online systems for hearings, electronic correspondence and online dispute resolution; and remaining open to serve the public all year.

Fiscal Year 2022 highlights include:

- Judge Jennings appointed to Committee on Limited Jurisdiction Courts by Chief Justice Brutinel
- Judge Jennings appointed to the Maricopa County Regional Homeless Court Governing Board
- Court Administrator Ruiz-Ortega appointed by Chief Justice Brutinel to Arizona Supreme Court's Taskforce on Issuing Search warrants
- Court Administrator Ruiz-Ortega was elected Treasurer to the Limited Jurisdiction Court Administrators Association
- Conducting civil traffic hearings on webinar platform
- Full-time dedicated municipal security officer
- Purchasing an X-ray machine and magnetometer
- Designing court lobby expansion

Future needs will address adequate staffing and supervision; enhanced social media presence; expansion of jury assembly room/training conference room.

Kirk Beaty, Public Works Director, presented on the Public Works Department budget. Mr. Beaty gave an overview of the 2021 accomplishments:

- Maintained uninterrupted essential services during COVID-19
- Completed Avondale/Phoenix - Central Arizona Project (CAP) Water
- Interconnected to diversify water portfolio and meet growth demands
- Completed Environmental Protection Agency (EPA) mandated risk and resilience assessment of water system
- Completed energy assessment of Water Reclamation Facility
- Installed four Electric Vehicle (EV) charging stations
- Successfully launched Recycle Wizard online recycling tool
- Partnered with Police Department and Neighborhood and Family Services to assist with homeless encampment cleanups
- Established and implemented monsoon preparedness and coordination program
- Filled key department leadership and management positions

Fiscal Year 2022 highlights include the following:

- Completed new Riley wastewater lift station
- Completed water and wastewater infrastructure assessments
- Design commenced on the Northeast Avondale water distribution pressure improvements
- Updating Arizona Department of Water Resources (ADWR) required drought preparedness plan using Sonoran Institute grant funds
- Responding to storm-related street flooding and identifying areas for improvement
- Maintaining City of Litchfield Park vehicle fleet
- Installing vehicle GPS system
- Restructuring and evaluating solid waste collection operations
- Formed transit division and developing innovative solutions
- Implementing new asset management program

Future needs and goals include:

- Keeping pace with City growth (staffing, resources, infrastructure)
- Future-focused water needs
- Enhanced critical asset security and workspace
- Micro-transit pilot program
- South Avondale water resources and infrastructure plan
- Financial planning for Water Reclamation Facility expansion
- Optimization of solid waste program
- Fleet utilization, rightsizing and supply chain issues

Mr. Beaty noted that there has been tepid response to open positions for solid waste drivers.

In response to a question from Vice Mayor Malone, Mr. Beaty stated that Public Works has 108 full time employees and 8 vacant positions, including 3 solid waste equipment operators, supervisor for solid waste, senior water distribution worker and a couple of positions in water quality and water resources.

Jodie Novak, Assistant Director of Development and Engineering Services, presented on the Development and Engineering Services Department budget. Ms. Novak reviewed department accomplishments for 2021:

- Major projects completed: Police Building expansion, Resource Center, Van Buren Multi-Use Path and Fairway Drive
- Completed 31,328 building inspections; 3,159 building plan reviews; Issued 727 single-family residential permits, representing a 54 percent increase from Fiscal Year 2017
- Completed 9,607 Engineering inspections, representing a 121 percent increase since Fiscal Year 2017
- Completed 24,790 property maintenance inspections

Fiscal Year 2022 highlights are as follows:

- High Profile Projects
- Growth in Avondale

Future needs include increased staffing and technology and software upgrades. In response to a question from Vice Mayor Malone, Ms. Novak stated that the Department will be looking to add 12 full time positions.

Ken Chapa, Economic Development Services Director, presented on the Economic Development Department budget. Mr. Chapa provided a review of department accomplishments:

- Healthcare: New businesses
- Manufacturing and logistics
- Retail and Entertainment
- Local EDGE
- Tourism
- Strategic Planning

Fiscal Year 2022 current and upcoming highlights include:

- Continue to implement goals and objectives of 5-year Economic Vitality & Tourism Strategic Plans
- Facilitate and live-stream 12 new business celebration events
- Promote and book users for the new Conference and Events Center
- Begin the process for obtaining the Accredited Economic Development Organization designation through the International Economic Development Council
- Deploy new Business Technical Assistance Programs
- Support the NASCAR Championship race

Future department goals including advancing local EDGE and Discover Avondale and growing community partnerships.

Council Member Nielson asked whether the conference center has the capability of hosting Zoom meetings. Mr. Chapa confirmed that this is one of the main features that will be showcased.

Mayor Weise stated that Avondale Southwest Valley cities have expressed interest in participating on the tourism board. As such, there is the possibility of a regional approach to tourism. This and other potential avenues will be explored as the conference center is developed.

Chris Lopez, Neighborhood and Family Services Director, presented on the Neighborhood and Family Services Department budget. Mr. Lopez reviewed the Department's accomplishments for Fiscal Year 2021:

- Rental and utility assistance to 2,141 households
- 45,000 meals provided at resource center and to homebound clients
- 3,037 meals provided to children
- 36 owner occupied units helped through emergency and substantial home repair program
- Moved into new Resource Center and repurposed previous building for The Opportunity Tree
- Offered senior service programming virtually during pandemic

An update on the Resource Center was provided. COVID-19 required a relook at the service delivery model, with much of the programming switching to multimodal or virtual programs. Many of the Resource Center's partners continue to function on a virtual basis. There are currently approximately 17 physical partners in the building with 60 additional partners who may use the space from time to time or are virtual partners. Even with the pandemic, use of the building has increased considerably, from 55,000 to 71,000 individuals served. Future programming includes a goal to expand senior services and engagement.

Mr. Lopez stated that the Library was transferred into the Department approximately three years ago, with a charge toward innovation, increasing service delivery and enhancing customer service. He introduced Terryann Lawler, who was hired as library manager.

Ms. Lawler stated that library services have remained open throughout the pandemic, including access to library computers for those without internet connectivity. Books and DVDs remained available to provide residents with entertainment through the pandemic. There has also been a focus on employee appreciation. The libraries host 6,900 visitors each month and was the first to offer COVID-19 vaccination clinics and one of the first to offer test at home kits. The library has expanded programs for adults, with a focus on entrepreneurship and workforce development. Library partners offer services at no cost to the community or the library. Hotspots have been added and Chromebooks have been added to circulation for those who need internet connectivity. Community engagement and outreach have been ramped up, including various social media outlets. The library has instituted virtual school visits and virtual story times to continue community school engagement.

Mayor Weise asked about the demographics for the increase in utilization of the library and whether any changes need to be made to accommodate new and increased volume. Ms. Lawler stated there are plans to make changes at the Civic Center to make it more welcoming and expand the children's area. Sam Garcia Library is well set up and any planned improvements will wait until next year. They have not identified an increase in a demographic, merely an increase in visitors and return visitors in general. The library continues to offer and expand remote services for those who are more comfortable at home.

Mayor Weise discussed a conversation he had recently with personnel at Maricopa County Health regarding the COVID-19 clinics. The State will be releasing additional test clinics. In general, the total number of tests in libraries is disappointing and Mayor Weise has asked Vice Mayor Malone to serve as the liaison and take the lead on this within the community in conjunction with Maricopa County.

Mr. Lopez discussed upcoming highlights for Fiscal Year 2022:

- Construction of bridge housing units
- Expand services to homeless population
- Implement new resource center data management program
- Expand community health and wellness programs
- Establish library partnerships with community colleges and universities and expand library programming

Future needs and issues include a focus on the homeless population; keeping pace with service demands from the community; library collections management; and education support funding.

Mayor Weise asked staff to explore usage of the adjacent City Center Park as an extension to the library.

Vice Mayor Malone asked how the Department works in conjunction with other City entities for coordination of homeless services and addressing encampments. Mr. Lopez stated that the there is an interdepartmental team that meets monthly with representation from each department; however, they have also realized there is a need for dedicated staff to work on the issues of homelessness. The Department is also developing communication materials and cards. These will be provided to City employees and contain simple steps to address and report homeless issues. Steps towards addressing encampments takes time. Homelessness is not a crime and mitigation efforts begin with education and communication before encampment cleanups can be undertaken.

Bryan Hughes, Parks and Recreation Director, presented on the Parks and Recreation Department budget. Mr. Hughes discussed 2021 accomplishments, programs and events:

- Programs and Special Events
- Ongoing park, trails, and open space improvements
- Grants: Land and Water Conservation Fund
- Awards and Recognition

Fiscal Year 2022 highlights include:

- Expanded program offerings and community events
- Special events
- Ongoing park, trails, and open space improvements
- Grants
- Awards and recognition

Future needs and goals include:

- Expand operations and maintenance of new and existing parks and facilities, including the Sand Volleyball Complex, Civic Center Park, Aquatics Center, and Community Center
- Implementation of Active Transportation Plan, including new multi-use trails and connectivity to sidewalks and bike lanes
- Continue renovations to existing parks and plazas
- Expansion of outdoor recreation opportunities through partnerships

Mr. Hughes noted that the Department was successful in receiving two 15 percent design assistance grants from Maricopa Association of Governments (MAG) for underpasses at the railroad at MC 85, Buckeye and Lower Buckeye Road.

In response to a question from Council Member Conde, Mr. Hughes stated that park signage replacement at Friendship Park will be completed as part of the asset replacement program. Some benches will be replaced as well.

Mayor Weise asked staff to look at the possibility of building a small toddler park near Fire Station 175 to facilitate firefighter engagement with residents.

Joel Evans, Facilities Director, presented on the Facilities Department budget. Mr. Evans provided an overview of the Department's 2021 accomplishments:

- Completion of Capital Projects
- Installed COVID-19 prevention measures

Goals and highlights for 2022 include:

- Energy Management Systems
- Inventory and Life Cycle Tracking

Future needs and goals will focus on tracking lifecycle data for materials and equipment; staying ahead of COVID-19 safety protocols and keeping pace with the growth of facilities. Discussion ensued regarding the use of contractors to provide custodial services versus the possibility of bringing positions in-house. Mr. Evans stated that having in-house custodial staff almost doubles the cost. However, an on-staff porter to provide daily services is a feasible consideration.

Keith Fallstrom, Interim Finance & Budget Director, presented on the Finance & Budget Department budget. Mr. Fallstrom reviewed the Department's 2021 accomplishments:

- Drafted first internal audit chart and audit manual
- Updated City's financial policies
- Completed rate updates, structural revisions and rate review for Water, Wastewater and Sanitation Funds
- Implemented new Financial System that impacts all city business activities
- Implemented new electronic bill payment and presentment system

- Government Finance Officers Association (GFOA) awards for budget and financial reporting

Upcoming focuses include:

- Full implementation of new Financial System
- Oversee financial aspects of the city's new Employee Benefit Fund
- Coordinate implementation of an upgraded utility billing system that integrates with the Financial System
- Implement the updated utility rates and water code
- Receive GFOA recognition for levels of proficiency in financial and budget reporting

Future needs include adequate staffing to support growth in business and procurement support requirements; continued support of internal audit, and cost increases due to inflation and volume increases.

In response to a question from Mayor Weise, Mr. Fallstrom stated that the Department currently has one vacant position, the Finance Director. Recruitment is in process and candidates are currently being considered.

Cheryl Carrasco, Human Resources Assistant Director, presented on the Human Resources Department budget. Ms. Carrasco presented the Fiscal Year 2021 accomplishments:

- Created COVID-19 testing program
- Working with departments to ensure facilities and employees had necessary Personal Protection Equipment (PPE) and sanitation supplies
- Hosted multiple vaccination clinics at City Hall
- Implemented risk management software
- Fully transitioned to self-funded benefit plan
- 158 job postings and 124 new hires

Goals for the upcoming year include:

- Implement document management system for employee files
- Transition to electronic signature system
- Enhance new employee orientation, onboarding process, and supervisor training
- 105 job postings and 108 new hires through six months

Future needs focus includes retention of existing employees and recruitment of new employees; remaining competitive in the labor market; continued training enhancement.

Jeffrey Scheetz, Chief Information Officer, presented on the Information Technology Department budget. Mr. Scheetz discussed the Department's 2021 accomplishments:

- Completed implementation of customer relationship management system (CRM)
- Launched update to asset management system
- Public Wi-Fi at Festival Fields Park
- Support of remote city services during pandemic
- Added a cybersecurity Operations center

Fiscal 2022 highlights include:

- Additional public Wi-Fi at City parks
- Upgrade of financial system
- Implement asset management system
- Expand GIS services
- Implement document management system and enhance electronic document review
- Expansion of City staff and facilities
- Added Project Management

Future goals include insuring that City software and systems are modernized; enhancing cybersecurity and mitigation of cyber risks and keeping pace with organizational growth.

Council Member Nielson asked about the security and availability of public Wi-Fi in City parks. Mr. Scheetz stated that public Wi-Fi allows the general public to connect at City facilities, parks and libraries. As with any public Wi-Fi, the user should exercise care in terms of what they do within those connections.

Vice Mayor Malone asked how many of the systems and programs are housed on the cloud versus in-house servers. Mr. Scheetz estimated that 10 to 15 percent are on the cloud but key systems are kept in-house.

Pier Simeri, Marketing and Public Relations Director, presented on the Marketing and Public Relations Department budget. Ms. Simeri reviewed the Department's 2021 accomplishments:

- Activated in-house video production team
- Developed multiple campaigns, marketing projects and branding for department (Anti Speeding; Fireworks; Discover Avondale; AviWise)
- Launched monthly City page and Uniquely Avondale tourism publication
- Developed multi-episode video series for Avondale EDGE
- Comprehensive marketing plan to promote 75th anniversary
- Supported high profile events: NASCAR championship weekend, State of the City
- Completed Public Art Master Plan

Fiscal Year 2022 highlights include:

- Launch opening of visitor center
- Continue Avondale EDGE video series

- Implement digital enhancements across marketing platforms
- Build upon public art master plan initiatives

Future goals include: Ensuring adequate staffing and resources to support City department growth and initiatives; enhancing the City's online and digital presence to maintain innovation standards and ensuring the successful launch of the Visitor Center.

Council Member Nielson asked about staffing for the Visitor Center. Ms. Simeri stated that operational hours will mimic City Hall hours. The marketing public relations coordinator will man the front desk as well as the visitor center.

Nicholle Harris, City Attorney, presented on the City Attorney's Office budget. Ms. Harris discussed that the Office managed and completed over 400 requests for legal services in 2021.

Highlights for 2022 include:

- Added an Attorney I position to the Office
- Worked with various department to revise City code provisions to enhance services to the residents and the community
- Settled two multi-million-dollar lawsuits at minimal cost to the City

Future needs and goals include:

- Continue to hire, supervise, and administer outside counsel services for litigation and specialized services.
- Review various City Code provisions for necessary changes
- Document management software
- Integrity and ethics reporting system

Mayor Weise asked for a timeline for when the compliance hotline will go live. Lindsey Duncan, Deputy City Manager, stated that first steps include development of policies to address complaints.

Vice Mayor Malone inquired about costs and scope of work for outside counsel in the amount of $150,000. Ms. Harris clarified that costs totaled $75,000 for outside services for two specific cases. The remainder was paid to approximately six firms for various services. Vice Mayor Malone asked that staff provide Council with a specific breakdown of fees paid.

Marcella Carrillo, City Clerk, presented on the City Clerk's Office budget. Ms. Carrillo reviewed the Department's 2021 accomplishments:

- Electronic signature software
- Record management action plan
- Continued digitalization of paper records

- Early voting center in 2020
- Virtual Council meetings

Mayor Weise commended the team for adapting to COVID-19 conditions as well as improving upon the system over the last 18 months.

Ms. Carrillo stated that for 2022, Special Events will be moving from the Clerk's Office to Parks & Recreation, who will be responsible for overseeing all special events. Currently, staff is working to simplify the application. An educational video is being created on the Council meeting layout, hopefully to go live in the next few months. The Office will continue to provide presentations and tours to Avondale students. They will also work to develop an online instruction video for City Council candidates. Future needs include planning for the 2022 election and providing continued support for virtual City Council meetings.

In response to a question from Mayor Weise, Ms. Carrillo stated that there is no bond election for 2022.

Mayor Weise asked about plans for continued City Council virtual meetings. Ms. Carrillo stated that for January 24th, there will be an in-person meeting, however depending on the COVID-19 situation, deputy directors and staff may be asked to attend via Zoom. The setup may vary based on circumstances.

Tracy Stevens, Deputy City Manager, presented on the City Administration's Office budget. Ms. Stevens provided a review of the Office's 2021 accomplishments:

- 2021 Citywide Strategic Plan
- Emergency Operations Center (EOC) activation in response to COVID-19 pandemic
- Created new Facilities Department
- Implemented AviWise customer service platform
- Conversion of employee benefits from external trust to internal, self-funded trust
- Completed Innovation Team inaugural year
- Hosted tenth Marvin Andrews Fellow

Fiscal Year 2022 highlights thus far include:

- Developed quarterly reporting of performance metrics in support of the 2021 Strategic Plan
- Established work-from-home plans and safe return-to-work
- Integrated new city projects administration position
- Developed Management Associate program
- Created Office of Public Safety

Ms. Stevens stated that future needs involve ensuring positive employee engagement opportunities; promoting Avondale's needs with State and federal elected officials, and monitoring and reporting of capital project timelines, budgets and status.

Mayor Weise thanked all the staff for their reports. He reiterated that City Council chambers upgrades are not a priority. Priorities include Public Safety and other departments that are scrambling for help. The search for a City Manager should commence in the next three to four months. This should consist of a subcommittee of the Council, three members, who will assist staff in developing the process to bring forward to full Council for discussion. Council will also need to make decisions on prioritizing capital improvements.

Council Member Conde stressed the importance of ensuring staffing needs are met for all departments.

Council Member Pineda concurred, adding that effective communication is required at all levels.

Council Member Nielson thanked all departments for their concise reports.

Vice Mayor Malone discussed the need to fill staff key positions to prevent staff burnout.

Mayor Weise again thanked staff for their dedication and the organization of the retreat.

3. ADJOURNMENT

There being no further business before the Council, Council Member Pineda moved to adjourn the Budget Retreat; Council Member Conde seconded the motion.

Upon vote, the motion was carried unanimously 5 to 0.

Council Member Conde	Aye
Council Member Nielson	Aye
Council Member Pineda	Aye
Vice Mayor Malone	Aye
Mayor Weise	Aye

Meeting adjourned at 9:30 p.m.

KWeise
Kenn Weise (Feb 24, 2022 10:39 MST)
Kenn Weise, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Budget Retreat of the Council of the City of Avondale held on the 10th day of January 2022. I further certify that the meeting was duly called and held, and that the quorum was present.

mcarrillo

Marcella Carrillo, City Clerk

February 22, 2022

Date Approved by City Council