

CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

WORK SESSION
September 21, 2009
6:00 PM

CALL TO ORDER BY MAYOR ROGERS

1 ROLL CALL BY THE CITY CLERK

2 FOURTH QUARTER BUDGETARY REPORT FOR PERIOD ENDING 6/30/2009

City Council will receive an update regarding the Fourth Quarter Budgetary Report for Period Ending 6/30/2009. For information and discussion only.

3 SPECIAL EVENTS

City Council will receive information regarding the City of Avondale Special Events and give direction to staff regarding these events. For information, discussion and direction.

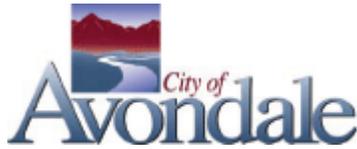
4 ADJOURNMENT

Respectfully submitted,

A handwritten signature in cursive script that reads "Carmen Martinez".

Carmen Martinez
City Clerk

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.



CITY COUNCIL REPORT

SUBJECT:

Fourth Quarter Budgetary Report for Period Ending
6/30/2009

MEETING DATE:

September 21, 2009

TO: Mayor and Council
FROM: Kevin Artz
THROUGH: Charlie McClendon, City Manager

PURPOSE:

The purpose of this report is to provide Council with an overview of the City's financial status through the end of fiscal year 2008-2009.

BACKGROUND:Economic Conditions

With the completion of the City's 2008-09 fiscal year, monthly sales tax revenue collections have been less than the same month, previous year for 26 consecutive months (since May 2007). General Fund revenues for Fiscal Year 2006-07 totaled \$57,293,991. For the fiscal year just completed General Fund revenues totaled \$43,564,265 a decrease of \$13,729,726 or 24% in two years.

Likewise, the City's General fund budget has been significantly reduced over the past two budget cycles. The FY 07-08 General Fund budget was \$59,539,760 compared to the FY 09-10 budget of \$45,681,140 (a \$13,858,620 reduction).

Unfortunately, the City has yet to reach the bottom of the cycle. The July 2009 sales tax collections were \$350,000 less than the sales tax collections for July 2008. Staff will continue to monitor the revenue situation very closely and keep management and Council apprised of the current budget.

The revenue and expenditure amounts presented below are preliminary estimates, as staff is in the process of completing the year end adjustments for the audit.

Budget Summaries

The total budget adopted by the City Council for FY2008-2009 was \$283,659,140. This included the use of fund balance for capital projects, carryover and one-time expenditures. The revenue budget for this fiscal year was estimated at \$207,266,560, which included sales taxes, fees, fines, bonds and service charges.

Through the end of the fiscal year the City expended \$188,139,750, which represents 66% of the total budgeted expenditures. During the same period, the City received \$157,476,073 or 76% of the total budgeted revenues.

General Fund

General fund revenues through the fourth quarter total \$43,564,265 which is 92% of the \$47,317,500 budgeted (after adjusting for sales tax rebates).

City Sales Tax, which makes up 48% of the general fund's projected revenue, brought in \$17,301,745. After adjusting for sales tax rebates, total collections are at 88% of the \$19,735,200 projected for the year.

State shared revenues make up approximately 35% of the projected general fund revenue. State shared sales tax collections were \$5,518,183, which was 89% of the \$6,210,120 budgeted. State income tax collections were \$10,195,604 which was \$105% of the \$9,663,510 budgeted.

Building permit fees make up approximately 3.5% of general fund revenue. Licenses and Permit revenue collections were \$708,553 which is 41% of the \$1,731,850 budgeted.

General fund expenditures, including transfers to other funds, are at \$50,293,944 or 84% of the \$60,071,740 budgeted through the end of the year.

The ending fund balance projected for FY 2008-09 was \$27,067,190. Based on staff's projections (which are based on estimates, until the year-end audit entries have been completed) it is estimated that actual fund balance will be approximately \$29,000,000 in the General fund.

Special Revenue Funds

Special revenue funds include the highway user revenue fund (HURF), dedicated sales tax funds and all grant funds.

The HURF revenue distribution to Avondale for the year is \$4,161,312 which is 88% of the budget of \$4,700,000. Total HURF Expenditures are at 81% of budget or \$4,216,001.

Dedicated sales tax revenue for capital projects collections for the year is \$5,420,247 which is 87% of the budget of \$6,221,430. Total expenditures and transfers out are \$6,746,150 or 100% of budget.

The public safety dedicated sales tax collections for the year are \$5,186,114 which is 84% of the budget of \$6,181,040. Expenditures in this fund are \$7,396,265 or 94% of budget.

Capital Projects Funds

Overall, capital project spending is at 79% of budget or \$31,451,230. Development fee revenues vary between funds based on residential and commercial permits. Collections are at 30% of budget or \$24,123,808.

Enterprise Funds

Enterprise funds include the Water, Sewer, and Sanitation funds.

Water revenues totaled \$11,133,345 or 89% of the budget. Total expenditures are \$9,950,281 or 79% of the budget.

Wastewater revenues totaled \$7,303,670 or 89% of the budget. Total expenditures are \$8,351,383 or 74% of the budget.

Sanitation revenues totaled \$4,570,132 or 103% of budget. Total expenditures are \$4,048,675 or 86% of the budget.

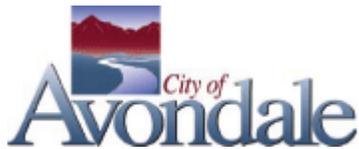
RECOMMENDATION:

This report is presented for information purposes only.

ATTACHMENTS:

Click to download

No Attachments Available



CITY COUNCIL REPORT

SUBJECT:
Special Events

MEETING DATE:
September 21, 2009

TO: Mayor and Council
FROM: Christopher Reams
THROUGH: Charlie McClendon, City Manager

PURPOSE:

To provide the City Council with information and seek direction regarding City of Avondale Special Events

BACKGROUND:

City special events serve a variety of functions. Special events can promote tourism and economic development, showcase local talent, expose artists and performers to new audiences, invigorate community spirit, revitalize neighborhoods, provide opportunities for Council and staff to interact with the public, and contribute substantial economic and social benefits to the community. The City of Avondale has been the host of a variety of special events, from small community-focused events to large scale events attracting thousands of visitors. Avondale Special Events fall into one of three categories:

Large Scale Events: Such events draw 5,000 or more participants; typically require 4-8 months of planning; extensive marketing and promotion (including media partnerships with radio/TV outlets). The cost: ranges from \$30,000 - \$80,000 (including city funds and sponsorships); they require significant resources and involvement from city departments (PRLD, Police, Fire, Engineering, Field Operations, and Community Relations). Examples of large scale events include:

Billy Moore Days
Fireworks Festival
Tres Rios Nature Festival
IMS Marathon

Medium-sized Events: Such events draw between 500 and 5000 participants; require typically 3 - 6 months of planning; fair amount of marketing and promotion. The cost range between \$10,000 - \$30,000 (city funds and sponsorship); they require city resources and staff support. Examples of medium-sized events include:

Holiday Events
Holt Foundation Flag Football Tournament
Resident Appreciation Night

Small events: Such events draw less than 500 people; require typically 3 - 6 months planning; local advertising. The cost: is typically less than \$10,000; impact on staff/department resources is fairly minimal, limited to the department organizing the event, facilities staff, and community relations staff. Small events include:

Spring Fling
Grand Openings

Mayor's State of the City
Entertainment Series
Bike Fest

DISCUSSION:

In the current economic climate, Valley municipalities, including the City of Avondale, have increasingly had to analyze the cost effectiveness of special events and balance the cost of those events with proposed outcomes. City budget cuts and shrinking sponsorship opportunities from the private sector have resulted in the cancellation of many special events around the Valley. Some municipalities have even canceled events with historic significance due to cost concerns.

Staff seeks Council direction regarding its vision for the types of special events Avondale should offer, how these events should be funded within the scope of the City's budget, and what types of benefits Council would like to achieve for both the City and its residents. In particular, staff seeks direction from Council in the following three areas with regard to funding Special Events.

City-Sponsored Event: Events wherein the City of Avondale is responsible for the majority of the funding. These events are often attractive to sponsors that want to develop relationships with customers within the community, but depending on the economic climate, sponsorships may not always be available. City-Sponsored events require a commitment from the City to have the event with or without sponsorship, with full support and use of City staff and resources. An example of the Billy Moore Budget is provided (Attachment 1: Billy Moore Days Tab). Examples of City-sponsored events include:

Billy Moore Days
Fireworks Festival
Patriotic Events (Veterans Day, Memorial Day)
Holiday Events

Currently, the City's general fund can not support City-sponsored events. Therefore, staff recommends that the City forgo any City-sponsored events.

City-Partnerships: The City of Avondale would be responsible for a portion of the funding, which typically includes in-kind services of City staff, equipment, or facilities. An example of the World Fest 5k Run Budget is provided for review (Attachment 1: World Fest Tab). City-partnership events are dependent on the City's cost share being fully recoverable or the City must fund its cost share of the event through the general fund. Examples of City-Partnership events include:

World Fest
IMS Marathon
Tres Rios Nature Festival
Pre-Bowl Bash
Holt Foundation Flag Football Tournament
Entertainment Series

Currently the general fund can not support City-partnership events. Therefore, staff recommends that the City forego any City-partnership events.

Cost-Recovery Events: Cost-recovery events fully recover the cost of the event. In these types of events, the event participants, sponsors, and donors are responsible for all costs associated with the event. An example of the Daddy-Daughter Dance Budget is provided for review (Attachment 1: Daddy-Daughter Dance Tab). Cost-recovery events may involve participant fees in the form of food and beverage sales, including alcohol; entry fees; parking fees; or entertainment fees. Staff recommends cost-recovery event model over the other funding options, because such a cost model is not reliant on any funds from the City's General Fund budget. Cost-recovery events have a

participant cost component, can be a large scale or small scale event, and can be geared to specific or general audiences. Currently cost-recovery events include:

Daddy-Daughter Dance
Hilton Halloween Event
Western Avenue Street Fair

Staff recommends that all City events be developed using the cost-recovery event model.

BUDGETARY IMPACT:

This report is for Council discussion and direction only.

RECOMMENDATION:

Staff seeks direction from City Council regarding City of Avondale Special Events and recommends that all City special events be developed on a cost-recovery model.

ATTACHMENTS:

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 [Event Budget Examples](#)

Billy Moore Days

Projected BM Day Attendance 15.000.	
Program Expenses	\$90,646
Sponsorship Revenue	\$7,500
Program Revenue	\$22,840
Revenue from General Fund	\$60,306
Total Revenue	\$90,646
Event Gain/Loss	\$0 \$60,306 from General Fund

Income	Restrictions	Projected	Actual
Sponsorships	none		\$ 7,500
Vendor Fees	none		\$ 4,400
Parade Entry Fees			\$ 1,075
Carnival	none		\$15,000
Merchandise & WW Town			\$ 415
Softball Tournament			\$ 1,500
Beer Sales %			\$ 450
Total Income		\$ -	\$30,340
Expenses	Breakdown		
ENTERTAINMENT			
Musicians			
Fireworks			\$ 1,985
Stage Entertainment			\$ 8,765
Wild West Town			\$ 9,715
Parade			\$ 1,460
Pagent			\$ 1,000
Tournament			\$ 2,205
PRODUCTION			
Decorations			
Shuttle Service			\$ 1,500
	Fire Motorhome		\$ 740
	Generators		\$10,000
Venue	facility	inkind	
	chairs/tables	inkind	
	Hay		\$ 350
Rentals	Dance Floor		\$ 500
	Sound and Lights		\$ 1,500
	PortaJohns		\$ 1,800
	Stage		\$ 950
FOOD			
	Ice/Water		\$ 150
	Dignitary Breakfast		\$ 250
MARKETING			

Billy Moore Days

Promotions

Out of House Printing	\$ 900
Advertisement Media	\$ 1,500
Graphic Art	\$ 200
Advertisement Graphics	\$ 300
Banners	\$ 850
Shirts	\$ 1,800
Posters	\$ 350
Photos	\$ 100

STAFFING		quantity	hour per each event	
	Recreation Staff - Event			\$ 6,320
	Recreation Staff - Programming			\$ 7,700
	PRLD Staff			\$ 6,800
	Public Safety Staff (PD and Fire)			\$ 9,306
	TEAM Staffing			\$ 7,800
	Security Overnight			\$ 1,500
	Inmates			\$ 350
	Streets Staff			\$ 2,000
Total Expenses				\$ - \$90,646
Income minus Expenses				\$ - \$ (60,306)

Parade Only Breakout

Parade Expenses	\$32,210
Parade Revenue	\$1,075
Parade Gain/Loss	-\$31,135

Festival Only Breakout

Festival Expenses	\$58,436
Festival Revenue	\$29,265
Parade Gain/Loss	-\$29,171

Program Budget: **Daddy Daughter Dance**

Description

Projected Daddy Daughter Dance, attendance 160.

Program Expenses	\$3,181
Sponsorship Revenue	\$0
Program Revenue	\$3,200
Revenue from General Fund	\$0
Total Revenue	\$3,200
Event Gain/Loss	\$19

<u>Expenditures</u>		
DESCRIPTION	QUANTITY	UNIT PRICE
Event Staff		400
<u>Equipment and Supplies</u>		
Catering		1,500
Prizes		260
Games		200
Plaques		146
Decorations		246
<u>Entertainment and Marketing</u>		
Flyers		50
Direct Mailing		4
Lunadisc		375
	Total Expenses	\$3,181
 <u>Revenue</u>		
Ticket Sales - \$20 per person		3,200
	Total Revenue	\$3,200
	Total Revenue	\$3,200
	Less Total Expenses	\$3,181
	Profit	\$19

Program Budget: **WorldFest**

Description

Projected WorldFest, attendance 3500 Cultural Celebration / 181 5K Run

Program Expenses	\$31,960.00
Sponsorship Revenue	\$26,000.00
Program Revenue	\$5,960.00
Revenue from General Fund	\$0.00
Total Revenue	\$31,960.00
Event Gain/Loss	\$0.00

Income	Restrictions	Projected	Actual
Sponsorships	none		\$11,000
Vendor Fees	none		\$ 1,180
5K Registrations	none		\$ 4,780
5K Sponsorships	towards 5K		\$15,000
Supplement			\$ -
Total Income		\$ -	\$31,960
Expenses	Breakdown		
ENTERTAINMENT			
Musicians			
Youth Entertainment (Crafts, Face Paint, Camels, Jungle Jill)			\$ 2,530
Stage Entertainment			\$ 2,600
Rides			\$ 2,500
Costumes			\$ 280
PRODUCTION			
5K run	(Production costs combined)		\$ 5,456
Decorations	Giveaways and Decorations		\$ 260
	PLAY bags		\$ 400
Shuttle Service			
Venue	Generators facility chairs/tables	inkind inkind	\$ 760

Rentals	Dance Floor		\$ 500
	Sound and Lights		\$ 450
FOOD			
	Ice/Water		\$ 150
MARKETING			
	Promotions		
	Out of House Printing		\$ 150
	Graphic Art		\$ 225
	Advertisement Graphics		\$ 165
	Brochures		\$ 650
	Advertisement Media		\$ 1,500
	Photos		\$ 50
	Posters		\$ 350
STAFFING			
	quantity	hour per each event	
	Recreation Staff Event		\$ 2,210
	Recreation Staff Programming		\$ 3,800
	Facility Staff		\$ 300
OTHER			
	Proceeds from Run to AYAC and AFHSD		\$ 6,674
Total Expenses		\$ -	\$31,960
Income minus Expenses		\$ -	\$ -