

CITY COUNCIL AGENDA

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

BUDGET MEETING
April 28, 2014
6:00 PM

CALL TO ORDER BY MAYOR ROGERS

1 ROLL CALL BY THE CITY CLERK

2 FY 2014-15 - BUDGET WORKSESSION 2

The City Manager and City staff will continue the presentation of the City Manager's FY 2014-15 proposed budget to the City Council. For information, discussion and direction.

3 ADJOURNMENT

Respectfully submitted,

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

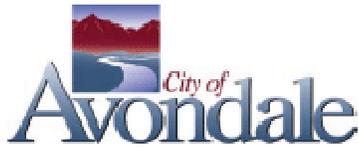
Carmen Martinez
City Clerk

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.

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

Notice is hereby given that pursuant to A.R.S. § 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council may be audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. § 1-602.A.9 have been waived.

De acuerdo con la ley A.R.S. § 1-602.A.9, y sujeto a ciertas excepciones legales, se da aviso que los padres tienen derecho a dar su consentimiento antes de que el Estado o cualquier otra entidad política haga grabaciones de video o audio de un menor de edad. Las juntas del Concejo de la Ciudad pueden ser grabadas y por consecuencia, existe la posibilidad de que si hay menores de edad presentes éstos aparezcan en estos videos o grabaciones de audio. Los padres puedan ejercitar su derecho si presentan su consentimiento por escrito a la Secretaria de la Ciudad, o pueden asegurarse que los niños no estén presentes durante la grabación de la junta. Si hay algún menor de edad presente durante la grabación, la Ciudad dará por entendido que los padres han renunciado sus derechos de acuerdo a la ley contenida A.R.S. § 1-602.A.9.



CITY COUNCIL REPORT

SUBJECT:

FY 2014-15 - Budget Worksession 2

MEETING DATE:

April 28, 2014

TO: Mayor and Council

FROM: Kevin Artz, Finance and Budget Director

THROUGH: David Fitzhugh, Acting City Manager

PURPOSE:

The City Manager and staff will present the proposed budget plan for the 2014-2015 fiscal year which totals \$171,212,890 prior to requested adjustments.

BACKGROUND:

The Avondale City Charter requires that the City Manager present a recommended budget estimate to the Mayor and Council on or before June 1st for the upcoming year. The estimate must include all estimated revenues and expenditures.

The first worksession was held on April 14, 2014 which included a financial status update and the review of the Council and Manager budgets, the Finance and Budget, Community Relations, Parks, Recreation and Libraries, Development and Engineering Services, and Fire department's budgets.

Operating budgets to be reviewed include, Human Resources, City Clerk, Police, Economic Development, Neighborhood and Family Services, and Public Works. Also, the entire Capital Improvement Plan will be presented to Council.

DISCUSSION:

The combined base operating and capital budget for fiscal year 2014-2015 totals \$171,212,890 which includes \$79,606,700 in operating costs, \$69,303,830 in capital projects, \$10,707,360 in debt service costs and \$11,595,000 contingency. Total revenues anticipated for fiscal year 2013-2014 are \$153,745,010. Fund balances will be utilized for one-time expenditures, carryover requests and capital projects. Supplemental requests total \$7,978,690 of which \$3,104,600 is onetime requests. The ongoing portion of the supplemental requests totals \$4,874,090 which includes the Council approved public safety MOU compensation, a four percent (4%) compensation adjustment for general employees as well as 10% increase in medical benefits for all covered employees.

The capital improvement plan (CIP) was reviewed by the Capital Improvement Plan Citizens' Committee on February 12, 2014. The committee meeting minutes are attached to this report. The committee's prioritization of the one-time capital fund projects was presented to Council on March 10, 2014. The CIP included in the City Manager's proposed budget includes the Council's recommendations for the one-time capital fund projects. The first year of the CIP will be appropriated with the annual operating budget.

Finally, staff will present information on the City's Property Tax Rate. The combined rate for FY 2013-14 is \$1.806 per \$100 of assessed valuation. Staff projects the combined rate can decrease to \$1.75 per \$100 of assessed valuation and collect adequate secondary property taxes to make debt service payments.

The following list shows the timeline for all actions required for formal adoption of the City's annual budget:

May 19th - Adopt tentative budget

June 3rd - Publication of Budget and tax notice June 10th - Publication of Budget and Tax notice

June 16th - Public hearing and adoption of Final Budget

July 7th - Adopt Property tax levy

RECOMMENDATION:

This item is for discussion.

ATTACHMENTS:

Click to download

[CIP Ten Year Summary](#)

[CIP Citizens' Committee Meeting Minutes](#)

Capital Improvement Plan Summary

Fiscal Years 2015-2024

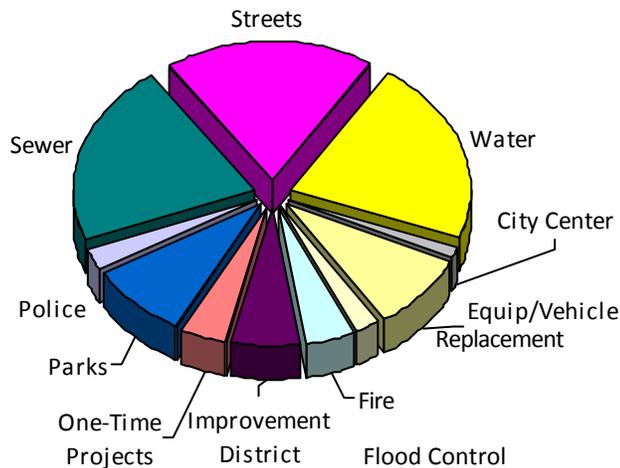
	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2020-24	Total
Fund Balances All	35,480,026	19,738,256	24,554,276	26,192,166	36,488,656	39,747,626	35,480,026
Capital Plan Revenues							
Intergovernmental Revenues							
Other State Sources	-	50,000	750,000	3,000,000	3,000,000	650,000	7,450,000
Other Cities & Towns - IGAs	-	-	-	-	500,000	500,000	1,000,000
Federal Grants & Other Sources	1,509,290	527,680	356,900	216,600	-	19,800,000	22,410,470
Maricopa County	7,240,000	1,780,000	2,400,000	-	-	1,350,000	12,770,000
Total Intergovernmental Revenues	8,749,290	2,357,680	3,506,900	3,216,600	3,500,000	22,300,000	43,630,470
Development Fees							
Street Construction	985,220	3,235,160	3,301,540	3,374,910	3,444,780	20,595,320	34,936,930
Police Development	144,780	475,420	485,180	495,960	506,230	3,026,550	5,134,120
Park Development	231,720	760,880	776,500	793,750	810,190	4,843,850	8,216,890
Library Development	51,600	169,440	172,920	176,760	180,420	1,078,650	1,829,790
General Government	27,290	89,620	91,460	93,500	95,430	570,550	967,850
Fire Dept. Development	176,170	578,500	590,370	603,490	615,990	3,682,800	6,247,320
Sewer Development	2,010,540	6,602,000	6,737,460	6,887,180	7,029,770	42,028,900	71,295,850
Water Development	1,913,210	6,282,390	6,411,290	6,553,770	6,689,450	39,994,250	67,844,360
Total Development Fees	5,540,530	18,193,410	18,566,720	18,979,320	19,372,260	115,820,870	196,473,110
Bond Proceeds							
Street Construction	-	4,000,000	-	-	-	5,500,000	9,500,000
Police Development	-	-	-	-	-	3,500,000	3,500,000
Fire Dept. Development	-	-	-	-	-	1,000,000	1,000,000
Improvement District	25,000,000	-	-	-	-	-	25,000,000
City Center Development	-	-	-	-	6,000,000	-	6,000,000
Sewer Development	-	7,000,000	-	-	-	4,000,000	11,000,000
Water Development	-	4,000,000	-	-	-	19,000,000	23,000,000
Total Bond Proceeds	25,000,000	15,000,000	-	-	6,000,000	33,000,000	79,000,000
Investment Income							
Interest Earned	37,450	50,980	51,230	50,140	66,100	340,500	596,400
Total Investment Income	37,450	50,980	51,230	50,140	66,100	340,500	596,400
Reimbursement Revenue							
Reimbursement/Cost Share	200,000	-	-	-	-	-	200,000
Traffic Signal Cost Sharing	-	-	-	150,000	780,000	540,000	1,470,000
Total Reimbursement Revenue	200,000	-	-	150,000	780,000	540,000	1,670,000
Operating Transfers In							
Replacement Contributions - Fire Equip	45,000	45,000	45,000	45,000	45,000	225,000	450,000
Technology Replacement Contribution	953,030	953,030	953,030	994,130	994,130	4,970,650	9,818,000
Transfer In 101--General Fund	8,625,000	1,575,000	1,560,000	1,570,000	1,500,000	7,500,000	22,330,000
Transfer In 215 - LTAF Fund	-	-	-	-	-	-	-
Transfer In 230-- Dedicated Sales Tax	650,000	650,000	650,000	650,000	650,000	3,250,000	6,500,000
Transfer In 240--CDBG	300,000	300,000	300,000	300,000	300,000	1,500,000	3,000,000
Transfer in 501--Avondale Water	2,650,000	2,000,000	650,000	650,000	650,000	3,250,000	9,850,000
Vehicle Replacement Contributions	2,070,760	2,177,980	2,177,980	2,177,980	2,177,920	10,889,600	21,672,220

Capital Improvement Plan Summary

Fiscal Years 2015-2024

	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2020-24	Total
Operating Transfers In							
Transfer In 520--Sanitation Fund	50,000	50,000	50,000	50,000	50,000	250,000	500,000
Total Operating Transfers In	15,343,790	7,751,010	6,386,010	6,437,110	6,367,050	31,835,250	74,120,220
Sub-Total	54,871,060	43,353,080	28,510,860	28,833,170	36,085,410	203,836,620	395,490,200
Total Resources	90,351,086	63,091,336	53,065,136	55,025,336	72,574,066	243,584,246	430,970,226
Capital Outlay*							
303 Drainage and Flood Control	2,219,000	1,300,000	1,300,000	2,000,000	2,000,000	10,000,000	17,900,000
304 Street Construction	13,313,850	5,075,200	8,899,500	2,000,000	3,850,000	45,510,000	71,438,550
308 Police Development	2,330,430	89,660	89,660	-	800,000	6,450,000	9,378,980
310 Park Development	3,711,000	-	-	-	3,325,000	29,627,170	36,018,170
311 Library Development	208,000	207,950	207,950	207,950	207,950	1,039,750	2,079,550
318 General Government	-	-	-	-	-	-	-
319 Fire Dept. Development	1,257,780	542,570	142,570	95,000	95,000	5,958,000	7,040,920
320 Improvement District	25,000,000	-	-	-	-	-	25,000,000
322 One-Time Project Fund	4,328,040	1,563,000	207,000	216,600	-	-	6,314,640
333 City Center Development	100,000	-	-	-	6,000,000	-	6,000,000
513 Sewer Development	2,250,000	12,859,810	3,969,290	4,953,660	4,938,470	56,707,280	84,388,510
514 Water Development	10,400,000	10,568,920	9,847,000	5,800,370	8,692,020	47,793,160	88,901,470
524 Sanitation Equipment	-	-	-	275,000	-	275,000	550,000
530 Water Equipment Replacement	275,200	1,209,700	288,900	451,500	80,200	1,619,000	3,774,500
531 Sewer Equipment Replacement	656,200	357,050	380,000	79,000	31,200	1,362,300	2,715,750
532 Sanitation Equipment Replacement	1,259,000	533,600	-	290,000	716,500	3,675,700	6,452,800
601 Vehicle Replacement	2,605,000	3,509,000	515,000	1,462,500	1,125,000	5,796,935	14,820,435
603 Technology & Equipment Replacement	699,330	720,600	1,026,100	705,100	965,100	4,337,900	8,364,200
Total Expenditures	70,612,830	38,537,060	26,872,970	18,536,680	32,826,440	220,152,195	391,138,475
Estimated Ending Balance	19,738,256	24,554,276	26,192,166	36,488,656	39,747,626	23,432,051	39,831,751

Capital Improvement Projects by Type



*Includes transfers to debt service funds

Capital Improvement Plan Committee Meeting Minutes

Wednesday, February 12, 2014

Meeting began at 6:04 p.m...

Members Present:

Lisa Amos	Angela Cotera	Jason Earp
Richard Childress	Bryan Kilgore	Roy Taniguchi
Sean Scibienski	Lorenzo Sierra	

Members Absent:

Tamy Harmon

Staff Present:

Paul Adams	Charles Andrews	Kevin Artz
Cindy Blackmore	Dale Nannenga	Chris Reams
Dave Vaca		

Kevin Artz welcomed the members. He stated that there were enough members present at the meeting for a quorum. With a quorum a formal recommendation could be given to Council. He suggested members elect a chairperson for the committee. Jason Earp volunteered and a motion was accepted. Members and staff then introduced themselves.

Kevin began by reviewing the development process of the CIP and how revenues are generated. He said that in the past changes have been made to the CIP through input from the committee. Kevin also stated that it was a fluid document and open to change.

Member Cotera asked why there was such a big jump in development fees from year one to the other nine years. Kevin explained that the first year consisted of an estimate of 150 home permits and the outer years were approximately 500 permits.

Member Amos inquired about sales tax from the automall and if staff had anticipated declining revenues in future years. Kevin replied that while those taxes may decline at some point, at this time it did not affect the CIP.

Police Chief Dale Nannenga began the Police review. He stated that the radio system upgrades were an important part of the proposed budget. Chief continued by stating the mobile command vehicle now in use was outdated. He then explained that the property evidence room would be necessary due to changes in evidence storage requirements.

Member Amos asked if staff had looked into leasing space in existing warehouses. Chief Nannenga explained that certain equipment limited the potential use of such an option. Member Taniguchi asked how much was spent on storage containers and if that would be a viable long term solution. Chief Nannenga said the cost was minimal at \$500 but because they are not climate controlled the use was limited.

Member Sierra inquired about the Lakin Substation. Chief said the exact site has not been identified and is based on future development. Member Earp asked if it was based on housing development. Kevin Artz replied yes that it was contingent on development.

Fire Chief Paul Adams began with an update of projects. He said the need for the radio system upgrades. He also stated the PIR facility would serve as a temporary station for the two races in partnership with the track facility. He said part of the need was due to security of equipment. Member Sierra asked how many calls were received during the races. Chief said it depended on the weather but between 100 to 150 mainly medical calls. Member Earp asked what was PIR's share of the project. Chief stated that PIR currently reimburses the city for races and that the project costs would be split.

Chief Adams also mentioned that the Lakin Ranch station would be a joint facility with Police in the area of El Mirage and Lower Buckeye.

Kevin Artz explained that the General Government fees would be collected to pay back the general fund for early payoff of the Civic Center. Member Sierra asked how much was saved by paying off early. Kevin informed the committee that the amount was \$88,000 and that the payoff occurred within ten years.

Chris Reams discussed a brief overview of the Library CIP. He mentioned that debt service for the City Center library would be collected through development fees.

Chris Reams then continued with the projects in the Parks fund. He stated that the upcoming projects were enhancements to Friendship and Festival Fields Parks along with the Trail System. He said Friendship need green space and that the plan was to remove some existing fields. Also included in the enhancements would be a large concession stand and fencing off some sports fields.

Member Earp asked what relocating the ball fields entailed. Chris said Festival Fields would get all the ball fields and that the vacated fields at Friendship would be turned into green spaces. Member Earp asked if Festival was going to get ball fields anyway why are we paying twice for fields. Chris replied that Friendship would be gaining open space. Member Scibienski mentioned that the field near the dog park is under used and could be used for open space. Member Childress said he did not want the ball fields there and would prefer open space. Chris said from what he had heard tonight there needs to be a balance between parks.

Mr. Reams then explained the multi-modal trail system would ultimately be citywide. Member Cotera asked if the trails would be of use in the summer months with

landscaping and shade. Chris said there would be water stations and kiosks along the trails. He also mentioned the cost and ownership of the trails were a big issue. Member Scibienski asked if grant funding was available. Chris stated at this time there was not. Charles Andrews added that there were opportunities for alternative transportation grants. Kevin Artz explained not all park projects were fully funded. They would have to complete with other projects in need of funding.

Charles Andrews then reviewed the Street projects. He explained that street maintenance and overlay projects were required to extend the life of existing pavement. He then briefly discussed the Rancho Santa Fe project and how the road serves 5000 trips per day to Walmart. Charles stated the Indian School left turn lane in front of the Remington Apartments and the Thomas Road projects were in part the result of past committee meetings. Member Cotera asked if staff was working with Phoenix or the County on 99th Avenue. Charles replied that staff would be in the future.

Member Cotera inquired about the McDowell Road project. Charles explained the original roadway was designed in the 1930's and this would bring it to current standards.

Charles then informed the group that SRP aesthetic funds would be used on 107th Avenue – Van Buren to Roosevelt. He also stated the property owner would donate the right-of way required for the project. Member Earp asked if the city would be reimbursed. Charles said no and that we had to use the SRP funds before the funding opportunity expired.

Charles explained the Central Avenue project would reduce the roadway from five lanes to three lanes. Member Earp asked if the road was currently at B or C grade level. Charles said it was probably B level. Member Earp asked if the reduction in lanes would result in a drop. Charles said yes, maybe to a D in the future.

Charles continued by stating the Fairway Drive project would include federal funds for the I-10 interchange with a city cost share. He then explained the benefits of the Van Buren Drainage Channel and that it would also allow 15% more of the surrounding land to be developed.

Cindy Blackmore reviewed the Sewer projects. She mentioned that the Central Avenue project would bring an aging sewer line up to standard. She stated the South Avondale / PIR sewer line and lift station was complete. Cindy added that the master plan was required to address future needs.

Kevin informed the group that projects requiring operating fund transfers would add approximately ten percent to the sewer rate. Member Scibienski inquired about the debt service situation in sewer. Kevin replied the debt would be paid off in 2016.

Member Cotera asked if the water coming from the treatment plant was going to a recharge site. Cindy replied that it was going to the recharge site on McDowell.

Member Scibienski asked about the cost of sewer infrastructure in the area of Litchfield Road and Lower Buckeye. Charles said he would look into the request and provide information to be passed on to the committee.

Cindy then reviewed the water projects. She said that the PIR waterline was complete, the Central Avenue waterline just had a bid opening, and that the tertiary filters would allow the discharge from the plant to be A+ water. She continued by stating the White Mountain Tribe Agreement was for storage allocation of water from the Colorado River.

Cindy then discussed future projects. She said the projects were based on growth and system capacity needs. Kevin added that growth was required for the additional wells to be developed. Member Amos asked if an agreement could be reached with the land owners of the parcel on 107th and McDowell. Charles Andrews replied that the well was being pumped for SRP irrigation and water quality may be an issue. Cindy stated that an evaluation would be necessary.

Kevin Artz briefly reviewed the City Center fund. He said that a proposed parking garage would be paid for with bonds and revenue would be generated through parking fees by users.

Kevin then discussed the Equipment Replacement funds and discussed how funding is budgeted each year and accrued for such charges.

The committee was given a one-time project list. The group decided to take the list and in some cases visit the site of the proposed projects. The list would be ranked in importance (low, medium, high) and returned to staff. A meeting to discuss the project rankings would be a possibility.

Kevin briefly reviewed the sales tax audit reports. He stated that the committee serves as the oversight group. He mentioned that the report agreed that public safety funds were spent correctly.

Kevin closed with saying the recommendations would be taken to Council.

The meeting was adjourned at 8:32 p.m...