

MINUTES OF THE PEORIA CITY COUNCIL
CITY OF PEORIA, ARIZONA
Pine Conference Room
March 15, 2012

A **Study Session Meeting** of the City Council of the City of Peoria, Arizona was convened at 8401 West Monroe Street in open and public session at 5:00 p.m.

Following a moment of silent reflection, Councilmember Evans led the Pledge of Allegiance.

Members Present: Mayor Bob Barrett; Vice Mayor Ron Aames; Councilmembers Cathy Carlat, Joan Evans, Carlo Leone, Dave Pearson and Tony Rivero.

Members Absent: None

Other Municipal Officials Present: Carl Swenson, City Manager; Susan Daluddung, Deputy City Manager; Susan Thorpe, Deputy City Manager; Steve Kemp, City Attorney; Wanda Nelson, City Clerk; Katie Gregory, Interim Management and Budget Director; John Imig, Information Technology Director; Bill Mattingly, Public Works and Utilities Director; Brent Mattingly, Finance Director; Roy Minter, Police Chief; Jeff Tyne, Interim Community Services Director; Chris Jacques, Planning and Development Director.

Audience: Approximately fifty members of the public were present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

Subject for Discussion only:

1. Theater Lease Agreements (Theater Works and Arizona Broadway Theatre)

Susan Daluddung, Deputy City Manager, provided an overview on the negotiations of the lease agreements with Arizona Broadway Theatre (ABT) and Theater Works. Jeff Tyne, Interim Community Services Director, reviewed the history of the theater agreements. Mr. Tyne provided information pertaining to:

- Contractual Obligations
- Current Market Conditions
- Long-term strategies
- Financial discussions
- Lease payment schedule with ABT

Discussion ensued regarding the current lease payment schedule with ABT, and the possibility of changing their lease to a nominal fee of one dollar per year. The pros and cons for the following topics were reviewed:

- Ticket Surcharge
- Partnership Opportunities
- City Sell/Cede Land to ABT
- City Assumption of Facility and Operations

Mr. Tyne reviewed the staff recommendation of the dollar per year lease agreement and discussed the activities for the next few months.

Kiel Klaphake, ABT Executive Director, described the dual private/non-profit organizational structure that operates within ABT.

Steve Matthews, Chairman of the Board of ABT, requested that Council support the dollar per year lease agreement.

Lowell Bamford, ABT Boardmember, outlined his dedication to ABT throughout the years, both in terms of volunteer service and financial support.

Mr. Klaphake described the stressed financial year ABT had in 2011. He asked for Council's support to create a future win-win strategy between ABT and the community.

It was the consensus of Council to push back the lease for one year.

Councilmember Carlat left at 6:22 p.m.

The Council asked staff to explore different options for negotiating points within the lease with ABT, as noted in the pro/con discussion outlined above.

Mayor Barrett called for a recess at 6:25 p.m. The meeting resumed at 6:35 p.m.

2. Solid Waste Rates - Residential and Commercial

Maher Hazine, Deputy Public Works Director, provided an overview of the financial conditions within the City's Solid Waste Service Division. Discussion ensued regarding:

- Increasing the rates for Commercial Solid Waste
- Adopting a rate for Commercial Recycling
- Reducing the rates for Residential Solid Waste

Mr. Hazine outlined the *Council Subcommittee on General Government's* discussion on a new utility bill design. Councilmember Pearson provided a sample of a utility bill where the costs of Residential Garbage and Residential Recycling are broken out individually.

It was the consensus of Council to delineate the costs on the utility bill for Residential Garbage and Residential Recycling.

Mr. Hazine outlined the Commercial Services provided by the City, including recycling

and solid waste collections. Customized service is being provided to recycling customers, depending on their individualized needs.

Katie Gregory, Interim Budget Director, outlined staff's recommendation for the following:

- 13% reduction in residential solid waste costs
- 3% increase in commercial solid waste charges
- Establish a charge for commercial recycling

It was the consensus of Council to affirm staff's recommendation and include these elements in the FY 2013 budget.

3. Fiscal Year 2013 Proposed Budget

Carl Swenson, City Manager, provided an overview of the discussions held with Council regarding the upcoming budget process. Mr. Swenson noted staff's "cautious optimism" with respect to job growth, sales tax/customer confidence, and housing statistics.

Mr. Swenson outlined the principles of sound financial management and the FY2013 Budget approach, considering the following elements:

- Follow Council Policy Goals
- Links Council Goals to Department Operations
- Modified Zero-based Budgeting
- Maintain Service Levels
- Focus on Efficiencies

Mr. Swenson discussed the FY2013 Budget Challenges:

- Department budgets remain tight
- Complete Capital Projects
- Fund Economic Development Initiatives

Katie Gregory, Interim Management and Budget Director, outlined the process taken to create the proposed FY2013 budget. Discussion ensued regarding:

- An economic and financial overview
- Approaches taken in developing the proposed budget
- Highlights of the key aspects of the spending plans

Mr. Swenson stated that the Capital Improvement Plan (CIP) and Operating Budgets will be reviewed at the City Council Budget Study Sessions scheduled for the last week of March.

Adjournment:

Being no further business to come before the Council, the meeting was duly adjourned at 8:13 p.m.

Bob Barrett, Mayor

ATTEST:

Wanda Nelson, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Study Session Meeting of the City Council of Peoria, Arizona held on the 15th day of March day of, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 3rd day of April, 2012.

(Seal)

Wanda Nelson, City Clerk