

**MINUTES OF THE PEORIA CITY COUNCIL**  
CITY OF PEORIA, ARIZONA  
PUBLIC SAFETY ADMINISTRATION BUILDING, PEORIA ROOM  
April 22, 2010

A **Budget Study Session Meeting** of the City Council of the City of Peoria, Arizona was convened at 8351 West Cinnabar Avenue in open and public session at 4:00 p.m.

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

**Members Absent:** None

**Other Municipal Officials Present:** Carl Swenson, City Manager; Susan Daluddung, Deputy City Manager; Susan Thorpe, Deputy City Manager; Mary Jo Waddell, City Clerk; Kelly Corsette, J.P. de la Montaigne, Andy Granger, John Imig, Bill Mattingly, Brent Mattingly, Larry Ratcliff, Wynette Reed, Thomas Solberg, Jeff Tyne, Glen Van Nimwegen, Scott Whyte and Claudia Luján.

**Audience:** Approximately one member of the public was present.

**Fiscal Year (FY) 2011 Budget Workshop**

**Clerk's Note:** The complete Proposed FY 2011 Budget is on file in the City Clerk's Office.

Carl Swenson, City Manager, opened the meeting by outlining the strategies incorporated into the proposed budget for 2011 and provided an overview of the schedule for the budget meetings.

**Community Works Program**

Andy Granger, Engineering Director, and J. P. de la Montaigne, Community Services Director, reported on Community Works Program projects completed during the past year. The purpose of the Program is to provide an annual budget to fund smaller projects not identified in the Capital Improvement Program (CIP) Budget that will benefit the community and improve neighborhood livability. Mr. Granger and Mr. de la Montaigne provided an update on projects scheduled during the next fiscal year.

Proposed FY 2011 Community Works Program Projects include:

- Quick response signing and striping projects
- Quick response concrete and asphalt projects
- Arterial street bike lane retrofits
- 91<sup>st</sup> Avenue; Northern to Butler roadway improvements
- 107<sup>th</sup> Avenue – South of Olive street completion
- Northwest corner 107<sup>th</sup> Avenue and Northern

- Plant salvage nursery
- 81<sup>st</sup> Avenue roadway re-striping; Deanna Drive to Lone Cactus Road
- 71<sup>st</sup> Avenue; Thunderbird to Redfield sidewalk improvements
- Shade canopy projects
- Rights-of-way landscaping projects
- Skunk Creek Trail Lighting

Discussion ensued regarding lighting for streets and trails. It was a consensus of the Council to hold a future Study Session Meeting concerning lighting.

### **Financial Overview**

Jeff Tyne, Management and Budget Director, provided an overview of the proposed \$455 million budget for FY 2011.

Mr. Tyne presented the components of the total FY 2011 Budget by category:

- Capital Budget– 31 percent
- Debt Service – 12 percent
- Contingency – 12 percent
- Operating Budget – 45 percent

Mr. Tyne outlined the City's major operating funds and discussed the current financial condition of each fund related to the recommended budget:

- General Fund
- Streets Fund
- ½ Cent Sales Tax Fund
- Transit Fund
- Transportation Sales Tax Fund
- Water Operating Fund
- Wastewater Operating Fund
- Solid Waste (Residential and Commercial)

### **Organizational Approach**

Katie Gregory, Budget Coordinator, outlined the strategic budget approach used to address the \$7.5 million structural deficit. Ms. Gregory explained that City departments utilized the Organizational Strategic Plan, Council Goals, the Citizen Survey, and the Performance Measurement and Management Program to evaluate services and identify budget reductions.

## **Key Policy Considerations**

Mr. Swenson informed Council the citizens survey conducted in 2009 included results that 91 percent of citizens responding to the survey support a compressed work week with extended hours. The compressed schedule would increase customer service to citizens by allowing them to conduct business with the City outside of their work schedules in the early morning or after work.

Mr. Swenson advised that with the concurrence of Council the administrative functions of the City would be closed on Fridays. Mr. Swenson provided an overview of the City's essential services that would not be affected by the compressed work schedule.

Mr. Swenson introduced Wynette Reed, Human Resources Director, to provide a presentation on implementing the 4/10 compressed work week. Ms. Reed outlined the next steps in preparing for the fiscal year transition by providing communication to citizens and other external customers:

- Press releases, local newspaper advertisements, television and radio promotions, Channel 11 public service announcements and social network announcements
- Fliers, water bill stuffer and message, building signage, posters, Web banner, online messages to citizen accounts, vendor and business partner emails, email tag line, prepare communication for City Council use
- Staff leaders at closed buildings during the first four weeks

Mayor Barrett declared a short recess at 5:30 p.m. and resumed the meeting at 5:46 p.m.

## **Management and Budget Department**

Mr. Tyne reviewed the proposed FY 2011 Budget for the Management and Budget Department totaling \$913,113. The budget reflects a base budget reduction of 8.54 percent and a reduction in authorized personnel of 1.0 full-time employee (FTE).

Mr. Tyne outlined the department's notable budget activity:

- Consolidated Capital Improvement Program Management
- Transition of development management
- Assume Utility Rate/Impact Fee Analysis
- Transfer Grant Management to Government Affairs

Mr. Tyne discussed services levels related to impact fee credit management and strategic support efforts.

## **Finance Department**

Mr. Tyne presented an overview of the recommended FY 2011 General Fund Budget for the Finance Department totaling \$4.11 million. The budget reflects a base budget reduction of 7.04 percent and a reduction in authorized personnel of 2.0 FTEs.

Mr. Tyne reported that the Finance Department Utility Fund Budget totals \$4.72 million and reflects a reduction to the base budget of 3.89 percent.

Brent Mattingly, Finance Director, summarized the functions of the Finance Department:

- Accounting and Financial Reporting
- Payroll and Accounts Payable
- Accounts Receivable
- Cash Management and Investment
- Debt Management
- Purchasing and Inventory
- Sales Tax
- Meter Services
- Utility Billing

Mr. Mattingly recapped the budget reduction efforts by the Finance Department during the past year:

- Storekeeper and Business Analyst positions reduced
- Consolidate meter services and utility billing
- Reduce mail room and copy center costs
- Extend service life for meter replacement program
- Reduction in new meter installations
- Consolidate utility rate analysis in Management and Budget Department

Mr. Mattingly noted that service levels have not been affected by the recent changes. Mr. Mattingly advised that the Finance Department will focus on continued business process improvement and necessary investments to support technology infrastructure.

## **City Clerk's Office**

Mr. Tyne introduced the FY 2011 Budget for the City Clerk's Office totaling \$1.16 million and reflecting a base budget reduction of 2.3 percent.

Mary Jo Waddell, City Clerk, reported that the goal of the Clerk's Office is to deliver the Council packet by electronic methods. Ms. Waddell explained that an electronic packet would reduce the use of paper and costs. Ms. Waddell advised service delivery would not decrease.

Ms. Waddell noted the City Clerk's Office will conduct municipal elections and administer redistricting during the next year.

### **Human Resources Department**

Mr. Tyne presented the recommended FY 2011 Budget for the Human Resources Department totaling \$2.39 million. The budget reflects a base budget reduction of 9.17 percent and a reduction in authorized personnel of 1.0 FTE.

Wynette Reed, Human Resources Director, highlighted the following notable budget activity during the past year:

- Reducing Safety and Emergency Management Coordinator position
- Other professional services (e.g. contract negotiations)
- Reduction in advertising/recruitment
- In-house training

Ms. Reed discussed the following changes in service levels:

- Partner with outside organizations for training
- Safety training will be a cross-departmental effort
- Merged Safety Operations and Emergency Operations

Ms. Reed identified healthcare reform and labor shortages in key skilled positions as challenges the department continues to encounter.

### **Information Technology Department**

Mr. Tyne provided an overview of the recommended FY 2011 General Fund Budget for the Information Technology Department totaling \$7.74 million. The budget reflects a base budget reduction of 10.11 percent and a reduction in authorized personnel of 4.4 FTEs.

John Imig, Information Technology Director, reviewed the organizational structure of the department and recapped the notable budget activity during the past year:

- Reduced IT Project Coordinator position
- Consolidated administrative functions by reducing Executive Assistant position
- Merged Citywide GIS functions
  - Established Citywide GIS Steering Committee
- Reduced maintenance charges on certain hardware and software systems

Mr. Imig discussed the following areas affecting service levels:

- Staff changes
  - Department Business Analyst reductions
    - IT staff providing more direct operational support to Departments
  - Administrative staff reduction in IT
    - IT Management/Supervisors providing more of their own administrative support
  - IT Project Coordinator reduction
    - Project Managers will become more involved with internal operational projects
  - Application Support Analyst (Access/SQL)
    - Converting six-month/year (24 hour/week) contract position to full year .6 (24-hour/week) FTE

Mr. Imig concluded his presentation with a discussion on future activities:

- Technology as a capital investment
  - Systems forecasted in CIP
    - Network Infrastructure
    - Voice-over IP (VoIP) system upgrade
    - Data storage/backup/recovery
- Operating budget requests
  - Server warranty extensions
  - Server replacement program
  - Telephone set replacement
- Organizational technology alignment
  - Structured to align technology with Council and Organizational goals
  - Forecasts and manages technology applications within the entire organization as a whole
    - Enables process for evaluating new and existing application systems for use across multiple Departments

## **Public Works-Utilities**

Bill Mattingly, Public Works Director, presented the following proposed operating budgets for the Public Works Department:

### Water Fund

Total FY 2011 Recommended Budget	\$21,413,305
Base Budget Reduction	-2.61 percent
Authorized Personnel Reduction	-10.00 FTEs

Total FY 2011 Recommended Reductions	\$572,075
Total FY 2011 Recommended Additions	<u>\$519,000</u>
Net Reduction	-\$ 53,075

- FY 2011 Reductions
  - Operational Efficiencies
  - Authorized Personnel Reduction
  - Water Supply Reductions
  
- FY 2011 Additions
  - Greenway WTP Main Breaker
  - Reservoir Repair and Maintenance
  - Comply with Water Regulations

Wastewater Fund

Total FY 2011 Recommended Budget	\$10,552,271
Base Budget Reduction	-3.68 percent
Authorized Personnel Reduction	-2.00 FTEs
Total FY 2011 Recommended Reductions	\$272,341
Total FY 2011 Recommended Additions	<u>\$188,850</u>
Net Reduction	- \$ 83,491

- FY 2011 Reductions
  - Electrical Reduction
  - Operational Efficiencies
  
- FY 2011 Additions
  - Industrial Permit Requirements
  - Butler Water Reclamation Facility (WRF) Water Utility Charges
  - Butler WRF Energy Optimization

Commercial Solid Waste Fund

Total FY 2011 Recommended Budget	\$2,035,336
Base Budget Reduction	-0.06 percent

Residential Solid Waste Fund

Total FY 2011 Recommended Budget	\$ 8,191,070
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Base Budget Reduction	-0.49 percent
Authorized Personnel Reduction	-1.75 FTEs
Total FY 2011 Recommended Reductions	\$132,166
Total FY 2011 Recommended Additions	<u>\$262,275</u>
Net Addition	\$130,109

- FY 2011 Reductions
  - Operational Efficiencies
  - Authorized Personnel Reduction
- FY 2011 Additions
  - Field Laptop Computers
  - Part-time Equipment Operators
  - Vehicle Routing and Tracking Software

Storm Water Drainage System Fund

Total FY 2011 Recommended Budget	\$628,082
Base Budget Reduction	-0 percent
Authorized Personnel Reduction	-0.80 FTEs

Fleet Services Fund

Total FY 2011 Recommended Budget	\$4,713,700
Base Budget Reduction	-7.00 percent
Authorized Personnel Reduction	-0.25 FTEs

- FY 2011 Reductions
  - Unleaded Gasoline
  - Bio Diesel
  - Fleet Efficiencies Reductions

Facilities Maintenance Fund

Total FY 2011 Recommended Budget	\$5,471,678
Base Budget Reduction	-7.13 percent
Total FY 2011 Recommended Reductions	\$355,336
Total FY 2011 Recommended Additions	<u>\$ 81,950</u>
Net Reduction	- \$ 273,386

- FY 2011 Reductions
  - Reduce Contractual Services
  - Reduce Commodities
  - Authorized Personnel Reduction
  - Reductions in Electrical Costs
  
- FY 2011 Additions
  - Roof Maintenance Municipal Offices
  - Asset Management Software Licenses

Streets Operating Fund

Total FY 2011 Recommended Budget	\$7,695,857
Base Budget Reduction	-0.10 percent
Authorized Personnel Reduction	-1.20 FTEs

Highway User Fund

Total FY 2011 Recommended Reductions	\$146,543
Total FY 2011 Recommended Additions	<u>\$140,000</u>
Net Reduction	-\$ 6,543

- FY 2011 Reductions
  - Authorized Personnel Reduction
  - Operational Efficiencies
  
- FY 2011 Additions
  - Traffic Signal and Street Lighting Electricity

Public Transit Fund

Total FY 2011 Recommended Budget	\$1,006,618
Base Budget Reduction	-34.34 percent
Authorized Personnel Reduction	-3.75 FTEs

- FY 2011 Reductions
  - Authorized Personnel Reduction
  - Operational Efficiencies

Mr. Mattingly reported the overall focus in preparing the budget was to emphasize continued services to the citizens. Mr. Mattingly explained there was a comprehensive review of each division to ensure alignment with City-wide goals in order to design an

efficient structure to deliver core services efficiently and effectively.

Mr. Mattingly outlined the notable budget activity for the Public Works Department:

- Review vacant positions
- Use of staff in cross functional positions
- Fill key positions from within the organization
- Develop a workforce for technical and skilled positions
- Implement an apprenticeship program

Mr. Mattingly highlighted the efficiencies realized by combining Utilities with the Public Works Department:

- Streamline the Administrative areas of the Department
- Consolidation of Water Resource and Environmental Divisions
- One Call Center

In closing, Mr. Tyne reviewed the following items identified by Council for follow-up on April 26, 2010.

- Trail Lighting
- 107<sup>th</sup> Avenue/Butler Drive Crosswalk
- Water/Wastewater Cash Funded Capital Projects
- Street Sweeping Schedule
- Human Resources Personnel Budget
- Public Works – Position Movement

**Adjournment:**

Being no further business to come before the Council, the meeting was duly adjourned at 7:07 p.m.

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Bob Barrett, Mayor

ATTEST:

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Mary Jo Waddell, City Clerk

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Budget Study Session Meeting of the City Council of Peoria, Arizona held on the 22nd day of April, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of July, 2010.

(Seal)

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Mary Jo Waddell, City Clerk