MINUTES OF THE REGULAR MEETING OF THE COMMON COUNCIL OF YOUNGTOWN, AZ

THURSDAY, May 27, 2014, TOWN CLUBHOUSE SQUARE, 12033 CLUBHOUSE SQUARE

Call to Order: Mayor LeVault at 7:00 p.m.

Roll Call

Councilmembers present: Mayor Michael LeVault, Vice Mayor Jacob Duran, Councilmembers Margaret Chittenden, June Miller, Judy Johnson, Shirley Gustafson and Dorena Mello.

Staff present: Town Manager Jeanne Blackman, Town Attorney Trish Stuhan, Independent Contractor Pat Walker, Economic Development Manager Gayle Cooper, Community Development Coordinator Gregory Arrington, Public Safety Manager Mike Kessler, and Town Clerk/Treasurer Diane Cordova.

Pledge of Allegiance and Invocation: Councilmember Miller led the Pledge of Allegiance and Vice Mayor Duran offered the Invocation.

Communications: Comments, Commendations and Presentations by Mayor, Council Members, staff or members of the public. The Council may not propose, discuss, deliberate or take any legal action on the information presented pursuant to A.R.S. 38-431.02.

A. Communications from Council

Mayor LeVault

- What we are going to see is a presentation in which I am very pleased. What we've done due to the personnel changes in the Finance Department is pull apart the entire organization and look at it from all angles. Moving forward we are going to have a better organization with checks and balances and greater fiscal controls. The funding from grants such as the Peoria Avenue Straightening Project has been pulled out of our operating budget which makes our budget smaller. We will be well under budget when the current fiscal year closes. We have not touched the $200,000 contingency fund. Moving forward our structural surplus will increase within the next five years by maintaining what we have been doing the past several years. This is all being done without a primary property tax. We have a healthy rainy day fund.

5. Citizens Comments/Appearances from the floor:

None

6. Business:

A. Discussion and/or Action Re: Approval of Resolution 14-12 for the Adoption of the Tentative Budget for Fiscal Year 2014-2015 in the amount of $5,527,531.00 (Blackman)

Town Manager Blackman

- Our Fiscal Year 2014-15 budget is $5,527,531.00. The good news is that the economy is improving; local sales tax and state share revenue has increased. The Town provides services with limited revenue and provides excellent customer service. I will recommend to Council that a compensation study be completed across the board for employee salaries. That cost is allocated in the budget. We have taken our budget reporting to another level.
- Independent contractor Pat Walker will present a five year budget forecast.

Pat Walker, Financial Independent Contractor (budget worksheets attached)

General Government Budget

- The Town received $1.35 million in sales tax revenue, a 7% increase; received $175,000 in franchise taxes; $745,000 in state income tax. The Town also received $50,000 in permit revenue.
- General Fund analysis shows future year revenues at a 1% to 2% increase per year, expenditures are forecasted at a 2% increase per year. The FY2015 Fund Balance carry forward increased to cover the compensation study. There is $40,000 budgeted to cover up to a 3% salary increase and benefits. Percentage of revenues, goal is at 10%. This spreadsheet shows the amount of total general fund, fund balance after each FY budget, assuming the contingency is spent. This spreadsheet also shows the total fund balance assuming the contingency reserve is not spent.
- The General Fund, Highway Users (HURF), Library General Investment Pool (LGIP), Grants, the Agua Fria Street Light Improvement District (AFR SLID), North Youngtown Street Light District (NYT SLID); and the Agua Fria Community Facilities District (AFR CFD) are all used to get to the total budget. Going forward, the Highway Users Fund (HURF) will be separated from the budget, it is a restricted fund. Also the Impact Fees will be removed, it will cost more to collect impact fees. There was a legislative ruling on this last year.

- Looking at the General Government budget account 6110 salaries: in FY15, an Account Clerk is proposed as well as an increase in the salary for the Finance Manager; also $6,000 of Town clerk salary will not be funded by Highway User Revenue Funds (HURF). Account 6112 Overtime: proposed to continue to fund $2,000 in overtime in the event it is needed.

Councilmember Johnson

- Budget Line item number 7602 Community Relations: the increase is for the 60th Anniversary?

Pat Walker,

- Account 7602 Community Relations: Increase for the 60 the Anniversary Celebration Expenses.

Councilmember Chittenden

- What about the talk regarding signage and landscaping for Grand Avenue?
- I don't see a place holder for a Community Center?

Pat Walker,

- Account 7932 is the placeholder for the signage and landscaping. Account 7938 is for the community center. Both those accounts show a zero amount. Those accounts to be grant funding revenue, once received then we can expend.

Councilmember Miller

- We are looking at hiring a Finance Manager and a Clerk Assistant?

Town Manager Blackman

- Yes, we are seeking a higher skilled level individual to fill the Finance Manager position and are requesting to hire an additional finance clerk. We currently have an individual from Colby Powell doing backup payroll and accounts payables.

Pat Walker, Financial Independent Contractor
Parks Department

- Account 6110 Salaries: Decrease in FY15 compared to FY14 is a result of a vacation payout expense that was done in FY14 instead of FY13.
- Account 6240 Workman's Compensation: Increase is a result of stating correct expense for workman's compensation insurance.
- Account 73078 Signs: Increase due to new signage in the Town.
- Account 7361 Landfill: Increase for Park & Sons Contract.
- Account 7610 AFR Park Maintenance: Portion of O&M from AFR Community Facility District O&M. Additional O&M ($21,685) will be paid from new Agua Fria Ranch Fee Fund.

Councilmember Chittenden

- Does Account 7357 Lake Maintenance designate O&M costs for Maricopa Lake?

Pat Walker, Financial Independent Contractor

- Any emergencies for the care of Maricopa Lake can be taken from the contingency fund.
- Account 7949 Park Improvements: For FY15 includes Basketball Court Resurface- Schleifer Park.

Pat Walker, Financial Independent Contractor
Courts Department

- Personnel costs increases due to the full year funding of a Judicial Assistant position. Decreases in accounts 6252, 6255, and 6257 due to benefits being funded out of Court Enhancement line item in operating budget.
- Account 7455 electricity: Increase due to larger court shared with the Sheriff's office.
- Account 7465 Water: Increase due to larger court offices shared with the Sheriff's Office.
- Account 7702 Audit & Accounting: Decrease due to completion of one-time special audit in FY14
- Account 7777 Court Enhancement: Decrease is result of lowering cost of PT Clerk.
- Account 7779 Jail Expenses: Decrease due to jail expenses moved to General Government per Town Attorney.

Pat Walker, Financial Independent Contractor
Buildings Department

- Personnel costs: In FY15, benefits changes are reflected for both increases and decreases based on actual employee choices.
- Account 7305 Supplies: Increase to reflect true expenditure patterns from prior years.
- Account 7351 Equip. Repair & Maintain, Account 7352 Vehicle Repair & Maintenance & Account 7353 Building Maintenance & Repairs decrease to reflect true expenditure patterns.
- Account 7940 Upgrades to Buildings: Decrease is for projects postponed in FY14. For FY15 projects included are replace roof at Town Hall, replace HVAC units and other improvements at Town Hall.

Pat Walker, Financial Independent Contractor
Library

- Personnel Costs: In FY15 increase is due to increase in the Library Manager's salary and benefits.
- Security System Monthly Expense: Increase due to installation of new security system in Library.

- Account 7816 Historical Museum Maintenance: Increase for maintenance expenses.
- Account 7939 Equipment: Capital Expense will be in new Library Improvement Fund. This is a new fund created for the library donations specifically for library improvements. In FY15 the remaining fund balance will be analyzed to determine the true remaining amount that may have been spent in prior years.

Councilmember Miller
- Is security with Maricopa County Sheriff's Office (MCSO)?

Town Manager Blackman
- No it is with Cintas.

Library Manager Speed
- We have safety concerns.

Councilmember Johnson
- What is the condition of the Historical Museum?

Library Manger Speed
- I believe we have several years.

Building Official, Arrington
- The roof did have a leak but it had been repaired a while ago.

Councilmember Miller
- Does it have termites?

Building Official, Arrington
- No, we are being proactive on the maintenance.

Pat Walker, Financial Independent Contractor
Community Development
- Personnel budget and Operating budget increases in FY15 are due to breaking out Community Development expenses from Economic Development.

Pat Walker, Financial Independent Contractor
Public Safety
- Account 6250 Group Health Insurance, Account 6257 Dental Insurance and Account 6258 Vision Insurance increase in FY15 due to type of insurance coverage for two employees.
- Account 7362 Computer System Maintenance increase Town wide.
- Account 7405 Minor Tools & Equipment: Increase for no budget in prior year.
- Account 7587 Uniforms: Increase for employee uniforms.
- Account 7710 Patrol Services: Increase for MCSO contract for services.
- Account 7792 Training: Increase for additional training for employees.

Councilmember Johnson
- Are we hiring additional Code Enforcement personnel?

Councilmember Chittenden
- Will iPads be purchased?

Town Manager Blackman
- No we are not hiring additional Code Enforcement personnel.
- Yes we will be purchasing iPads.

Pat Walker, Financial Independent Contractor
Economic Development
- All personnel costs in FY15 are decreased as a result of the community Development Coordinator costs moved to the Community Development Department Budget.
- Account 7345 Advertising: Increased due to additional Economic Development advertising.
- Account 7704 Engineering: Increase due to engineering services for Commerce Park.
- Account 7728 Consultant Services: Increase for Economic Development marketing.
- Account 7938 Signage & Landscaping: Increase is for community beautification.

Councilmember Johnson
- Account 7345 Advertising, what is the difference with advertising and marketing and Account 7762 Training?

Councilmember Mello
- Account 7728 Consultant Services will be utilized for?

Councilmember Chittenden
- Can you figure out how much really comes in from the ads and marketing?

Economic Development Manager Cooper
- The advertising is straight ads only; marketing is graphic design.
- The Consultant Services will be for the Awning Program; we will be extending the program.

- The training is for attending Economic Development conferences; attendance to these trainings/conferences is a big part of Economic Development networking.
- The ads & marketing is a hit & miss. It cannot be figured out. All we know is that you got to try to utilize the vehicles that are available to promote the Town and future plans and projects.

Pat Walker, Financial Independent Contractor
Highway User Fund (HURF)

- This is a restricted fund to be utilized only for streets.
- Account 7672 Insurance General: Decrease is a result of paying entire policy out of General Fund.
- RPTA was left in HURF because it can only be used for transportation purposes.
- Account 7938 MAG/TIP, Account 7976 MAG CMAQ and Account 7936 CDBG Grants were moved to the Grant Fund.

Pat Walker, Financial Independent Contractor
Grand Fund

- Grant funds are special revenue and cannot be spent until grant funds are authorized and approved by Council. What Department or Division manages the grant depends on the type of grant awarded. For example, a street grant would be administered by the Public Works Department where an economic development grant would be managed by the Economic Development Manager.
- A separate Grant Fund was created to separate Grants from all other type of funding sources for better tracking and accountability.

Councilmember Miller

- This is where the Peoria Straightening Project would be placed?

Mayor LeVault

- Yes, along with the bike/ped extension.

A roll call vote was called by Mayor LeVault for the approval of Resolution 14-12 for the Adoption of the Tentative Budget for Fiscal Year 2014-2015 in the amount of $5,527,531.00
Vote: 7 yes with 0 nays all in favor of Resolution 14-12 adoption of Tentative budget for FY 2014-15 in the amount of $5,527,531.00

8. Call for Executive Session:
None

Adjournment

Motion to adjourn: Councilmember Mello
Second – Councilmember Gustafson
Meeting Adjourned 8:25 p.m.

Michael LeVault, Mayor

Attest:

Diane Cordova, Town Clerk/Treasurer

Minutes approved at June 19, 2014 regular meeting.