

MINUTES OF THE PEORIA CITY COUNCIL
CITY OF PEORIA, ARIZONA
PEORIA PUBLIC SAFETY ADMINISTRATION BUILDING
8351 WEST CINNABAR AVENUE
November 15, 2019

A **City Council Workshop** of the City Council of the City of Peoria, Arizona was convened at the Public Safety Administration Building, 8351 West Cinnabar Avenue, Peoria, Arizona in open and public session at 9:01 a.m.

Members Present: Mayor Cathy Carlat; Vice Mayor Bridget Binsbacher; Mayor Pro Tem Vicki Hunt; Councilmembers Denette Dunn, Jon Edwards, Michael Finn and Bill Patena.

Members Absent: None

Municipal Officials Present: Jeff Tyne, City Manager; Andy Granger, Deputy City Manager; Katie Gregory, Deputy City Manager; Erik Strunk, Deputy City Manager; Vanessa Hickman, City Attorney; Lori Dyckman, Acting City Clerk; Thomas Adkins, Intergovernmental Affairs Director; Sonia Andrews, Finance Director; Kevin Burke, Public Works Director; Rick Buss, Economic Development Director; Kris Dalmolin, Information Technology Director; Chris Hallett, Neighborhood and Human Services Director; Chris Jacques, Planning and Community Development Director; Adina Lund, Development and Engineering Director; Christine Nickel, Human Resources Director; Benny Pina, Deputy Police Chief; John Sefton, Parks, Recreation, and Community Facilities Director; Jennifer Stein, Office of Communications Director; Jay Davies, Chief of Staff; and Sharon Roberson, Assistant to the City Manager.

Audience: No members of the public were present.

Subjects for Discussion

1. Mayor's Opening

Mayor Carlat addressed the Council with opening remarks regarding:

- Peoria's economic environment both current and future
- 2006-2007 forecast and prosperity
 - o Forecast predicts the potential for a severe downturn
 - o Peoria's ability to adapt and prepare for the downturn
 - o Peoria's response to the previous downturn illustrating Peoria's financial stability
- Staff's ability to take council recommendations and implement them
- Financial stability in Peoria
- Upcoming budget season

2. City Manager's Comments

Jeff Tyne, City Manager, addressed Council regarding:

- Focus on national trends
- Potential for future technology and how it will impact Peoria
- Visionary leadership
 - o Capacity to turn visions into reality
 - o Courage of staff to face uncertainty
- Looking forward:
 - o National Economy
 - Recession concerns within the next 1-3 years

3. Real Estate Development and Market Trends

Katie Gregory, Deputy City Manager, presented regarding the national economy. Information included:

- Gross domestic product (GDP)
- Residential construction in a slump
- Manufacturing and Trade in a downward trend
- Major US economy focus
- Stock market
- Interest rates
- Consumer confidence index
- Business confidence index
- Broader global slow down
- Recession in the next 1-3 years
 - o Not as long or as severe as the previous recession

Greg Vogel, Land Advisors Organization, presented an economic overview, including:

- Phoenix market overview – 3rd quarter 2019
 - o Market growth
 - o 2019 population averages and expected growth Average decennial growth rates 1990-2040
 - o Total single family and multifamily permits issued
 - Apartment construction pipeline
 - Arizona employment makeup
 - Median resale home sales prices
 - New and resale home sales and median prices
 - New home sales by price range
 - Resale home sales by price range
 - Top 40 builders by permits

- Sales per active subdivision within the last 12 months
 - o Land transactions annual volume
- Future projects
 - o West Valley
 - Land to development
 - o North Peoria
 - Vacant land
 - Lot inventory and absorption
 - o South Peoria
 - Infill only
- General plan goals

Discussion ensued regarding:

- Community Facilities Districts and the risk to City
- Partnerships with State Land

10:08 a.m. Mayor Carlat recessed the meeting and resumed at 10:18 a.m.

4. Peoria Development Forecast

Chris Jacques, Planning and Community Development Director, presented regarding:

- Strong interest in horizontal multifamily residential (bungalows)
- Homebuilder's interest in smaller lot sizes
- Historical and projected rate of growth
- Snapshot of Peoria from 1965 to 2017
- Major land ownership
- Housing units permitted in Peoria
 - o Factors impacting permitting
 - o Socioeconomic trends
- Increasing popularity of horizontal multifamily residents
- Residential Growth
- Shaping the community
 - o Prospective opportunities
 - o General Plan 2040
 - o Zoning Ordinance updates
 - o Design review
 - o Growth-related considerations

Discussion ensued regarding:

- Design review standards
- Multifamily development and height limits

5. Economic Development Plan

Katie Gregory, Deputy City Manager, presented an economic overview including:

- Economic Prosperity
- Promoting economic development
- Higher education and economic growth
 - o Knowledge base map
 - o National real estate overview
 - o Geography of work
 - o Mega-Regions of North America
- Regional jobs in key industries
 - o Aerospace
 - o Finance
 - o Healthcare
 - o Information Technology
 - o Manufacturing
 - o Warehouse and Distribution
- Where people living in Peoria work
- Where people working in Peoria live
- The Peoria approach
 - o Infrastructure
 - o Build Peoria's brand
 - o When possible, "Grow from Within"
 - o Sophisticated regional perspective
 - o Focus on what we can have immediately
 - o Meaningful partnerships

Rick Buss, Economic Development Director, presented on Peoria's Economic Prosperity including:

- Vision and strategic alignment
 - o General Plan
 - o Council vision
- Economic development structure
 - o Partnerships
 - o Customer service
- Job attraction and expansion
 - o Targeted industries, companies and markets
 - o Target markets aligned with target industry clusters
 - Alignment with Arizona Commerce Authority (ACA)
 - Alignment with Greater Phoenix Economic Council (GPEC)
 - o Areas of Operation
 - Class A office space – weakness and opportunity

- Industrial, Business Park space
 - High-tech and Industrial manufacturing
- Targeting funding and capital markets
 - Prospect selection criteria
 - o Strong long-term vision
 - o Business-friendly council
 - o Education
 - o Low regulation
 - o Low cost of doing business
 - o Quality of life
 - o Workforce
 - o Building a community of distinction

Discussion ensued regarding:

- How to improve space available to attract prospects
- Good relationships with council and willingness to assist with prospects

12:16 p.m. Mayor Carlat recessed the meeting and resumed at 12:39 p.m.

6. Financial/Budget Outlook

Sonia Andrews, Finance and Budget Director, presented regarding:

- Peoria's fiscal condition
- Peoria's 5-year forecast
- Purpose of reviewing fiscal condition
 - o Provide valuable information on current and future financial state
 - o Highlight potential problems
- What elected officials should ask
 - o Are we meeting our financial obligations
 - o Are we fiscally sound
 - o Are we fiscally resilient
 - o What are the challenges
- Peoria's current sound fiscal condition
- Local sales tax growth
 - o Volatility of sales tax revenue
 - o Volatility of intergovernmental revenues
 - o Property tax capacity
 - o General government revenues per capita
 - o General government expenditures per capita
 - o Using governmental unrestricted fund balances as a percentage of revenues

Discussion ensued regarding best practices for the use of reserve monies.

Ms. Andrews continued regarding:

- Debt
 - o Total debt outstanding
 - o Low debt per capita
- Unfunded pension liability
- Assessment of Peoria's 2019 fiscal condition
 - o Challenges
 - Economic uncertainties
 - Funding PSPRS

Barry Houg, Deputy Finance and Budget Director, presented regarding the 5-year forecast. Information included:

- General Fund
 - o Personnel costs
 - o Sales tax
 - o Expenditure forecasts for FY21-FY25
 - o Revenue increases for FY21-FY25
 - o One-Time funds available
 - Applying one-time funds to:
 - PSPRS pension liability
 - Worker's compensation
 - Operating and Capital requests
- Half-Cent Sales Tax
 - o Current uses
 - o Expenditure forecasts
- Transportation Funds
 - o Revenue forecasts
- Enterprise funds
 - o Rates for FY2021
 - o Revenue Forecast
 - o Rate Studies

ADJOURNMENT:

Being no further business to come before the Council, the Council Workshop was duly adjourned at 1:38 p.m.

Cathy Carlat, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the City Council Workshop of the City Council of Peoria, Arizona held on the 15th day of November, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7th day of January, 2020.

(Seal)

Rhonda Geriminsky, City Clerk