

MINUTES OF THE PEORIA CITY COUNCIL
CITY OF PEORIA, ARIZONA
Beardsley Water Reclamation Facility
Beardsley Training Room
19980 North 111th Avenue, Peoria, AZ 85382
February 27, 2009

A **City Council Workshop** of the City Council of the City of Peoria, Arizona was convened at 19980 North 111th Avenue, Peoria, Arizona in open and public session at 4:03 p.m.

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

Members Absent: None

Other Municipal Officials Present: Carl Swenson, City Manager; Susan Thorpe, Deputy City Manager; John F. Wenderski, Deputy City Manager; Steve Kemp, City Attorney; Mary Jo Kief, City Clerk; Stephen Bontrager, Andy Granger, Brent Mattingly, Grady Miller, Steve Prokopek, Wynette Reed, Jeff Tyne, Glen Van Nimwegen, James Mason, and Kelly Corsette

Facilitator: Lance Decker

Presenter: RL Brown, Principal, RL Brown Housing Reports

Audience: One member of the public was present.

CONVENE:

1. Welcome and Opening Comments

Lance Decker, Facilitator, and Mayor Barrett opened the meeting by informing Council that the workshop discussion would include an update on the financial condition and a budget update. Carl Swenson, City Manager, introduced RL Brown, a housing expert who was at the meeting to provide information to Council related to the housing market.

2. Presentation by "RL Brown Housing Reports"

RL Brown presented information to Council related to the housing market and its impact on our City in 2009-2013. Further Mr. Brown presented information on how the housing market affects jobs, future growth patterns, future social patterns, changes revenue streams, changes development standards and changes personal opportunities and personal confidence.

Mr. Brown presented data related to foreclosures and the different types of mortgages and the affects of those mortgages on the mortgage industry.

Council took a break at 6:15 p.m. and returned at 6:30 p.m.

Councilmember Leone left the meeting at 6:25 p.m.

During a working dinner, discussion with Mr. Brown related to the housing market continued.

2. General Discussion on Economic Issues

Following the discussion related to housing Council briefly discussed economic issues in the City.

3. Budget Update

Carl Swenson, City Manager, opened by updating Council on consumer confidence and the impact on the City. Tonight's meeting was to provide Council with an update on where staff is with working on the Fiscal Year (FY) 2009 and Fiscal Year 2010 budgets. Mr. Swenson advised Council that the FY2010 budget shortfall was anticipated at \$7.5 million has gone up to approximately \$8.8 million.

Jeff Tyne, Budget Director provided an overview of the history and projections for single-family building permits. John Wenderski, Deputy City Manager, provided an overview of the history and projections for commercial square footage nationwide and for the metro Phoenix area. Steve Prokopek, Economic Development Director, further discussed vacancies in commercial properties.

Brent Mattingly, Chief Financial Officer, provided Council an overview of economic considerations including data from the consumer confidence index. Mr. Tyne updated Council on the City's finances including operating budget and capital funds. Andy Granger, City Engineer, presented information related to the federal economic stimulus package and dollars that the City of Peoria may be eligible to receive.

Mr. Tyne further updated Council on action taken to date by staff to meet the budget cuts. Councilmember Pearson commented on the recent budgetary reductions taken by City departments and requested that the Council budget also be looked at for possible reductions similar to other City departments.

Mr. Swenson informed Council that staff reductions are a possibility as staff prepares the FY2010 budget. To meet those reductions, the Human Resources staff has been working on a retirement incentive program. Wynette Reed, Human Resources Director, provided an overview of the retirement incentive program and its goals. Ms. Reed advised Council that approximately 35 employees meet the eligibility requirements.

Ms. Reed further briefed Council on the reduction strategy related to retirements, vacancies, realigning positions and restructuring. Ms. Reed further advised Council on the approach staff will take in regards to layoffs should they become necessary.

ADJOURNMENT:

Being no further business to come before the Council, the Council Workshop was duly adjourned at 8:49 p.m.

Bob Barrett, Mayor

ATTEST:

Mary Jo Kief, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Workshop of the City Council of Peoria, Arizona held on the 27th day of February, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7th day of April, 2009.

(Seal)

Mary Jo Kief, City Clerk