



Neighborhood and Family Services Commission Meeting
Avondale Civic Center, 11465 W. Civic Center Drive, Mojave Conference Room
328 W. Western Avenue, Avondale, AZ 85323
Wednesday, October 26, 2016 6:00 p.m.
MINUTES

Commission Members in Attendance

Louise Battaglia, Chair
Bradley Ruggles, Vice Chair
Yvonne Hopper
Michelle Allman
Tina Marie Conde
Kristopher Ortega
Glenn Coleman
Melissa Valenzuela

Commission Members Excused

Guadalupe Olague
Delores Robinson
Martina Torres
Melvin Reese, Alternate

Commission Members Unexcused

Wendall Davidson, Alternate

City Staff and Guests in Attendance

Abbe Yacoben, Finance and Budget Director
Stephanie Small, NFS Director
Paula Swenson, Administrative Assistant

1. Call to Order

The meeting of the Neighborhood and Family Services (NFS) Commission was called to order by Chairperson Louise Battaglia at 6:11 p.m.

2. Review and Approval of September 28, 2016 Meeting Minutes

Mr. Glenn Coleman made a motion to accept the minutes as written. Mr. Bradley Ruggles seconded the motion. The minutes were approved unanimously.

3. Utility Rate Increase

Ms. Abbe Yacoben presented the water and wastewater enterprises rate analysis for proposed utility rate increases. This presentation included budget recaps of water and wastewater operating and capital expenses, and assessments of water and wastewater needs. Research included financial analyses, affects to the customer, and recommendations. Water needs include:

Operating Components:

Operating costs (water, electricity, chemicals)
Staffing (operator, vehicle, equipment)
Preventative maintenance

Capital Components:

New wells (2-3 based on growth)
Increased treatment (@Gateway & Coldwater)
Reservoir rehabilitation
System improvements

Sewer needs include:

Operating Components:

Operating costs (supplies & services)
Staffing (operators, vehicle, equipment)
Preventative maintenance

Capital Components:

WRF upgrades
Large diameter pipe program
Lift station rehabilitation
System improvements

Ms. Yacoben explained that fund performances regarding water and wastewater were analyzed for fiscal years 2011 – 2016. The last rate increases were in 2009. Proposed increases will enable us to keep up with capital needs, perform preventative maintenance, and cover depreciation expenses. Ms. Yacoben explained that the city's reserve policy requires 5% to be in the reserve fund before depreciation. Rate increases would enable the city to maintain compliance with the policy; and will display our willingness and ability to pay debt with bond rating agencies. Revenue drives rates: expenses drive how the rates are allocated. Expenses include billing, meter/flow, and usage/strength charges. Revenue estimates assumed 2.4% growth per year. Ms. Yacoben explained that if we underestimate low growth, we end up undercharging, while an overestimate ends up in an overcharge. Different types of costs are categorized as capital or operating expenses; different growths are projected. Ms. Yacoben stated that we need to follow policy of restricted reserve for replacement and refurbishment. To do that, we need to set goals to achieve target balances. Our current deficit is \$518,717. Mr. Coleman inquired if the new rate structure had anything to do with the Hoover Dam Project. It's staff's understanding that the Hoover Dam Project revolves around electrical power, not water. Avondale's rate structure is based on water, not power. A powerpoint presentation is on the city's website regarding City Council action on this matter. Ms. Yacoben explained that the sewer fund's working capital is smaller than water and the restricted reserve accounts for replacement and refurbishment. Rate increases would help up reach our goal in 2023. This would include an approximately 2% increase to the water fund, and 6% to the sewer fund. Ms. Yacoben explained average usages of water; the most common being 9,000 gallons a month. During winter months it's closer to 6,000 gallons a month. Other cities' rates were compared to Avondale; Avondale is on the lower end of the scale. Consideration was taken in for our most vulnerable residents on fixed and lower income levels when assessing the need for increases. Water billing charges are decreasing by .10, meter charges are increasing by .30. Sewer billing charges are going up by .08, along with an increase to the flow charge of .06; and a strength charge of .24. Avondale has tiered rates with less impact to our most vulnerable populations. Ms. Yacoben described other basic household expenses for quality of life comparisons: basic cable is approximately \$45 per month as compared to a monthly water bill for 10,000 gallons at \$28.47. Internet services were compared to an 8,000-gallon winter sewer bill of \$37.02. Proposed increases would be in line with other basic monthly expenses. A monthly bill calculator is provided on line if you are interested in seeing how your bill will increase. Ms. Yacoben stated that municipal codes will be updated accordingly and include language applicable to today's technology. Specific language is currently being drawn up by the city's attorneys. There will be an addition to multiple places of the City Manager's designee. Sections for changes would include:

- 24-18/19: Change from the Manager to Finance Department or Water Billing Division
- 24-46 (c) and 24-119-1 (c) and (d): Delete forfeiture of deposit
- 24-50: Addition of sending claims via fax or e-mail to Water Billing
- 24-116: Sewer Services Charges. Addition of right of inspection and clarity on basis for residential sewer fees

The updated codes will clarify and differentiate residential sewer charges from commercial services; certain businesses will have different rates than others based on services provided. An example: it would be appropriate for a mortuary services to have different charges than a nail salon. Methods for public outreach were used through a council presentation, meeting invitations, NFS Commission, flyer distribution at the Resident Appreciation Night, press releases, social media, and an open-door policy. Ms. Yacoben summarized by notating that the new water and sewer rates will apply on January 1, 2017. The city will maintain the tiered rate structure and encourage conservation. The goal is to implement a long-range asset replacement plan and to work towards a capital reserve

for water and wastewater. Ms. Battaglia stated that she would like to see the Finance department research costs to insert a colored paper flyer into the city's water billing mail out. This is a way to catch people's eye, an additional venue to engage the community. Ms. Yacoben stated that the Public Works and Finance departments have made themselves available; however, there has not been much participation in public meetings. The city welcomes any thoughts or suggestions for outreach. Ms. Yacoben stated that Finance is also looking into fine tuning the online payment process for user friendliness. Ms. Valenzuela stated that she uses the on-line system and likes the cost effectiveness. Ms. Hopper stated that the new updates could include a confirmation of payment via text message or other method for residents to avoid outages and service shut-offs. Ms. Yacoben confirmed that the new rates only apply to neighborhoods here and now, not new development. Ms. Valenzuela inquired if Avalon Estates would be an irrigating community. Ms. Yacoben will follow up and forward information to Ms. Small for the next meeting.

4. Future Agenda Items

Ms. Small will put together a list of what has been previously discussed so that we can put topics together for the new year. The election is next month, along with a discussion on creating a non-profit to broaden opportunities to apply for additional grant funds and new developments in the Revitalization Area. The Commission's recommendations will be taken to Council to explore a new venue for additional funding sources. New funds will be instrumental to move us forward.

5. Announcements

Ms. Small announced that the November meeting will be moved up one week due to the Thanksgiving holiday. The location will be upstairs in the Mesquite conference room. Please note that we do not meet in December; but will reconvene in January after the November meeting. Recently, Mr. Chris Lopez received a prestigious honor for the Arizona Center for After School Excellence. This is a statewide recognition, a wonderful achievement. The Avondale Youth Advisory Commission (AYAC) is holding a fundraiser this evening at the Main Event to raise funds for the March Youth National League of Cities conference held in Washington D.C.

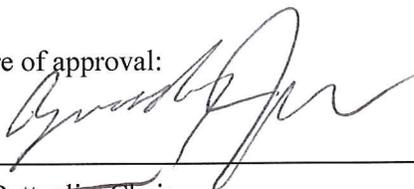
6. Call to the Public

None

7. Adjournment

Mr. Bradley Ruggles made the motion to adjourn; the motion was seconded by Ms. Yvonne Hopper. The motion passed unanimously. The meeting adjourned at 7:26 p.m.

Signature of approval:

 VISE CHAIR

Louise Battaglia, Chair

Next meeting, 6:00 p.m. – Avondale City Hall – November 16, 2016