

CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

WORK SESSION
July 12, 2010
6:00 PM

CALL TO ORDER BY MAYOR ROGERS

1 ROLL CALL BY THE CITY CLERK

2 PAVEMENT PRESERVATION PROGRAM

City Council will receive an update regarding the Pavement Management System that has been implemented over the last 3 years and provide information on the overall condition of City streets. For information and discussion only.

3 DISCUSSION OF HB 2450 AND OPTIONS TO REQUIRE CITY UTILITIES TO BE IN THE NAME OF THE OWNER FOR ALL RESIDENTIAL PROPERTIES.

City Council will receive information regarding House Bill 2450 and discuss options to offset the impacts of this legislation and protect the City's ability to collect delinquent utility accounts. For information, discussion and direction.

4 AVONDALE BILLY MOORE HERITAGE DAYS 2010

City Council will receive an update and seek direction regarding the 2010 Avondale Billy Moore Heritage Days Event. For information, discussion and direction.

5 ADJOURNMENT

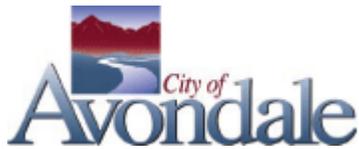
Respectfully submitted,

A handwritten signature in cursive script that reads "Carmen Martinez".

Carmen Martinez
City Clerk

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Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oído, o con necesidad de impresión grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos días hábiles antes de la junta del Concejo.



CITY COUNCIL REPORT

SUBJECT:
Pavement Preservation Program

MEETING DATE:
July 12, 2010

TO: Mayor and Council
FROM: Sue McDermott, P.E., Director of Development Services & Engineering, 623-333-4211
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff will update the Mayor and City Council on the Pavement Management System that has been implemented over the last 3 years and provide information on the overall condition of City streets.

BACKGROUND:

In 2007, the City hired a Pavement Management Technician to administer the Pavement Preservation Program. The purpose of the program is to ensure that current, accurate data regarding surface area and condition of the streets is available. This information is used to prioritize and allocate funds to maintain our street system.

The City of Avondale experienced a decade of unprecedented growth and in anticipation of the future maintenance impact; staff determined a Pavement Management System (PMS) was necessary. In 2009, the City entered into an agreement with iWorQ Systems to provide an internet based PMS Service. Data has been collected that includes pavement condition, past treatments, performance, material and labor costs, and other data used to calculate future treatment costs. This information has been uploaded into the PMS and used to generate reports recommending specific street preservation programs.

DISCUSSION:

Staff will present an overview of the PMS. Information on the current condition of City streets and projections based on the 5-year Capital Improvement Program and annual street maintenance budget will be provided.

BUDGETARY IMPACT:

The annual maintenance subscription cost for the iWorQ PMS Service is \$2,544 per year. Funding for this service is available in the Pavement Management Operating Budget Line Item, 201-5900-00-6310 (Contractual Maintenance).

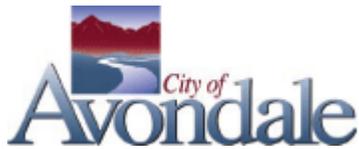
RECOMMENDATION:

No action is required. This item is presented for information and discussion.

ATTACHMENTS:

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No Attachments Available



CITY COUNCIL REPORT

SUBJECT:

Discussion of HB 2450 and options to require City utilities to be in the name of the owner for all residential properties.

MEETING DATE:

July 12, 2010

TO: Mayor and Council

FROM: Kevin Artz, Finance & Budget Director (623)333-2011

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff will discuss the impacts of House Bill 2450 on the City and options to protect the City's ability to collect delinquent utility accounts.

BACKGROUND:

In May of 2010 the State of Arizona adopted House Bill 2450, which limits the City's ability to collect delinquent utility bills from the owner of the property. The law states "A Municipality shall not require payment of unpaid water and wastewater service rates and charges by anyone other than the person who the Municipality has contracted with to provide service."

The City Code allows the collection of delinquent utility accounts from tenants to be collected from the landlord prior to establishing new service at a service location. The City has enforced this provision over the past several years, and required payment from the owner of the property if there were any delinquent bills. With the passage of HB 2450 (effective August 1, 2010), the City will no longer be able to collect delinquent accounts from the owner on their rental properties, under the current City Code.

DISCUSSION:

Staff has explored different options to protect the City's ability to collect or limit delinquent accounts.

One option is to require the service to be established by service location (in the name of the owner of the property). Another option is to continue to allow tenants to sign up for services and significantly increase the required deposit.

Option A - Utility service linked to service location

The first option is to require the utility service to be placed in the owners name for all residential properties. The owner would then be responsible to pay the bill (the owner could have the bill mailed to the tenant; include the amount in the rent amount or any other arrangement they want to enter into with their tenant).

From the City's perspective, a significant advantage of contracting with the owner of the property is the City's enhanced ability to collect delinquent accounts. Contracting with the owner allows the delinquency to stay with the service location, instead of linking the delinquency to the tenant. As a result, all disputes over who is responsible for the bill have been eliminated, and the City has significantly enhanced its ability to collect the delinquency and can ultimately lien the property if necessary.

Another advantage is the increased efficiency in the Water Billing Division and the Public Works Department. If the service is tied to the location, and is in the owner's name, there is a significant decrease in the volume of work orders that are processed. Currently, a work order is processed every time there is an on, off or transfer at a service location. Each work order requires a field representative to go to the service location, obtain a read and either turn on or off the service. In addition, the office staff has to process each work order, close the account, manually bill the account, and open a new account.

For example, at a location where the tenant moves out, the owner puts the service back in their name, and then rents to a new tenant in the same month, there could be four service orders and four trips to the service location by City staff. The City processed 13,738 work orders for 2009 or an average of 66 work orders per day. Again, each of those work orders required a visit to the service location, and the billing staff to process several transactions (close account, closing bill, establish new account). Whereas, if the bill is linked to the service location, a work order would be processed when the service is initially established and very infrequently thereafter.

There are also some drawbacks to requiring the service to be placed in the owner's name. First, there is a potential for the City to be caught in the middle of landlord/tenant disputes. For example, a landlord may become delinquent on their utility bill, and the City would disconnect their service for non-payment. However, the tenant may be current with their rental agreement. If the landlord doesn't remedy the situation immediately, the tenant would likely look to the City to help resolve the dispute. Under this circumstance, staff would recommend a policy that would allow the tenant to make a payment to reestablish the service (and then the tenant would have to resolve the issue with the landlord, i.e., offset the amount against future rent payments).

Another potential drawback to having the service in the owners name is the City would not have access to rental agreements. Currently, the City requires the tenant to provide a copy of the lease agreement prior to establishing service. The Finance Department can use the lease agreement to confirm the landlord is appropriately remitting their sales tax for the rental property classification. The City would have to establish alternative procedures to help ensure the sales tax on rentals is being paid.

Option B - Increased Deposit for tenant

Another option to offset the effects of HB2450 is to continue to allow tenants to establish utility service and significantly increase the required deposit. Currently, the City requires a \$75 deposit for residential accounts (deposit is waived for owner occupied or if the tenant has a letter of credit from another utility company). The deposit would have to be in the \$250 range to be effective, and the provision to waive the deposit with a letter of credit would be eliminated.

The advantages of increasing the deposit are enhancing the collectability of delinquent accounts, maintaining the ability to obtain the lease agreements, and limiting exposure to landlord/tenant disputes.

An increased deposit would help the City collect on some of the delinquent accounts; however, it is not as effective as requiring the owner of the property to establish service. A deposit of \$250 would be adequate to cover an average water consumption bill. However, there would still be tenants with water consumption outside of the averages, and it would be possible for their delinquency to exceed the deposit amount before the City could disconnect for non-payment. In addition, the City does not have the ability to lien the property, which is the ultimate tool available to collect from the owner.

The drawbacks to increasing the deposit instead of requiring the owner to establish service is the loss of the ability to increase efficiencies in the Finance and Public Works Departments, the impact of the increased deposit amount on the tenant and the potential that the deposit amount may not

cover the outstanding delinquent amount.

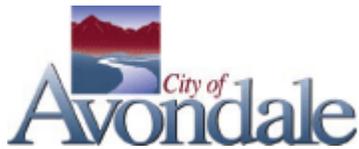
RECOMMENDATION:

Staff recommends Council discuss the options to offset the impacts of House Bill 2450 and provide direction on the options presented. Staff recommends option A - require utility service to be linked to the service location.

ATTACHMENTS:

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No Attachments Available



CITY COUNCIL REPORT

SUBJECT:
Avondale Billy Moore Heritage Days 2010

MEETING DATE:
July 12, 2010

TO: Mayor and Council
FROM: Christopher Reams, Director of Parks, Recreation & Libraries (623)333-2412
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff will provide the City Council with an update and seek direction regarding the 2010 Avondale Billy Moore Heritage Days Event.

BACKGROUND:

The Avondale Billy Moore Heritage Days Event (Billy Moore Days) is an annual event that has been around for over 50 years. In 2006 the City of Avondale began managing Billy Moore Days. However, the event has been postponed since 2008 due to budgetary concerns. On September 21, 2009 staff was directed by City Council to seek alternative methods for supporting City events, including Billy Moore Days, and to ensure events recover all costs.

Staff was directed to develop events that fully recover costs; funded by sponsors, and donors; and which may also require some participant fees. City staff used these guidelines to explore a number of options that would make it possible for the City of Avondale to have a Billy Moore Days event in 2010 and request council direction on options associated with the management of the event for FY 2010.

DISCUSSION:

Billy Moore Days has been an annual event in the West Valley for over 50 years. The event is named in honor of the City's founder, William G. Moore, and is a celebration of the heritage of the City of Avondale. In the past the event has featured a carnival, festival activities, entertainment, and the longest running parade in the state of Arizona.

The event was managed most recently by the Southwest Valley Chamber of Commerce until 2006 when the City of Avondale began to manage the event at the request of the Chamber. However, due to budget restrictions it was postponed after the October 2008 event, along with other city sponsored special events. Since that time staff has explored ways of putting on special events at minimal or no cost to the City of Avondale and proved successful in presenting the following events at no cost to the City in partnership with outside organizations, grants and sponsorships:

- Western Avenue Art Walk
- Eco Avenues
- IMS Marathon
- Veteran's Day and Memorial Day observances

The last Billy Moore Days festival was held October 2008 and cost the city \$60,306 (Expenses - \$90,646 with \$30,340 in Sponsorships, Fees, and Participant Revenue). The event included a festival, softball tournament, and a parade.

The parade was the most costly component. Expenses for the parade were \$32,210. Participant Fees of \$1,017 were collected from the parade participants and \$31,135 came from the General Fund.

To re-instate the parade funds would have to come from the General Fund and sponsorships, since raising participant fees higher might be counterproductive. Participant fees have to be controlled to keep the event from being cost prohibitive to participants. One option would be to re-instate the parade as part of Avondale's participation in the State's 2012 Centennial celebration. However, the parade would still require funding from the General Fund. Because sponsorship and partnership opportunities are limited due to the current financial climate, and the ability to significantly raise participant fees is also limited, Billy Moore Days is only possible with major funding support from the General Fund.

Staff has researched hosting an event without the parade that includes a series of activities supported by sponsors and partnerships in a cost recovery model. The model does not include a parade because no sponsors would committ to the parade. This cost recovery model would provide the opportunity to host Billy Moore Days in a modified form as follows:

DATE	EVENT
October 2 -3	Billy Moore Days Softball Tournament
October 15	Western Avenue Art Walk (Kick - Off Advertising)
October 23	Boys and Girls Club Golf Tournament
October 30	Masquerade Ball and Poker Tournament at Avondale Hilton
October 2010	Gallery 37 / Western Avenue Project (date pending)
*October 29 - 31	Food City Carnival (pending location)

*All events with the exception of the carnival and the Gallery 37 project are set up awaiting council approval of this proposal.

Each of the events are 100% cost recoverable to the City of Avondale and would be jointly promoted under the umbrella of the Avondale Billy Moore Heritage Days event. There would be some user fees involved in the events, but costs will be minimal. The events would run throughout the month of October and each event would help to promote the history of Avondale and bring visitors to our City.

Staff seeks council direction and consideration on the following options:

- Option 1: Pursue the cost recovery event model with the events mentioned above.
- Option 2: Postpone Billy Moore Days activities and events until the budget can support the parade and other events.

BUDGETARY IMPACT:

The cost recovery event model will not incur any cost to the City. Any other event model would require a commitment of general funds of approximately \$30,000.

RECOMMENDATION:

For information and Council direction regarding the 2010 Avondale Billy Moore Heritage Days Event.

ATTACHMENTS:

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