

Minutes of the Special Meeting held January 14, 2013 at 6:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Lopez Rogers and Council Members

Frank Scott, Vice Mayor
Stephanie Karlin
Jim McDonald
Charles Vierhout

ABSENCE EXCUSED

Jim Buster
Ken Weise

ALSO PRESENT

Charlie McClendon, City Manager
Rogene Hill, Assistant City Manager
Gina Montes, Neighborhood and Family Services Director
Daniel Davis, Economic Development Director
Kevin Artz, Finance and Budget Director
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1) ROLL CALL BY THE CITY CLERK

2) ESTRELLA MOUNTAIN COMMUNITY COLLEGE PRESENTATION

A presentation by Dr. Ernesto Lara, President of Estrella Mountain Community College regarding the state of education in Avondale and the role of EMCC in that system as well as his perspective on student preparedness upon matriculation to EMCC and workforce readiness.

Gina Montes, Neighborhood and Family Services Director, introduced Dr. Ernesto Lara. Dr. Lara said EMCC is one of 10 Maricopa County Community College District (MCCCD) schools, and is celebrating its 20th anniversary this year. In 2011, EMCC received a ten-year accreditation renewal. A new educational center was opened in Buckeye, and the school now provides distance delivery degrees. EMCC has been recognized by the Aspen Commission as one of the top ten community colleges in the nation for the past two years. The primary mission is student success. Currently 22% of students who come into EMCC are required to perform some remedial English education, and 40% require remedial math.

Dr. Lara said the Engage Estrella program mentors students throughout their course of study. Student Conference Estrella Mountain provides students with opportunities to engage in research and work directly with the faculty on projects. A new online newspaper will soon begin, and a new office was established to create internships for students. To support the community's workforce development effort, a corporate college now provides job training for business and industry. EMCC is working with the Legislature to secure money through the Commerce Authority to support this training.

Dr. Lara said EMCC and four other area community colleges recently received a \$13.5 million grant from the Department of Labor to develop training for energy-related jobs. EMCC is concentrating on preparing students to work at the Palo Verde Nuclear Generating Station. The college is also helping state schools implement the Common Core. EMCC has 80 acres of land in Buckeye which could potentially be used as a future educational site. The Ace Program is designed for high school students who typically might

not go to college, helping them earn up to 32 college credits while still in high school. Their tuition is paid through the community college, and MCCCDC has a fundraising campaign to raise \$50 million to sustain these students. EMCC always welcomes input from the community on how to improve its performance.

Council Member Vierhout said he is very proud that EMCC is in Avondale. He also thanked the college for allowing the use of their campus for the annual parade. He inquired whether EMCC plans to change their teaching methods to accommodate students who have been taught in Common Core. Dr. Lara responded that the goal is to have teachers at every level teach the same way.

Council Member McDonald described the new Northwest Safety Facility as a great example of a public/private partnership. Dr. Lara agreed that it improves campus safety and provides educational opportunities. He added that EMCC is also in the design phase for a new 300-seat performing arts center that will support expansion of the arts program. Council Member McDonald inquired about the time it would take for EMCC to create classes that meet employer workforce requirements. Dr. Lara responded that initial training programs can be established within six to eight weeks, but that customized programs would depend on the employer's requirements. Council Member McDonald inquired about student engagement. Dr. Lara explained that many staff members, beyond counselors, are engaged in the mentoring effort. The goal is to help as many students as possible gain a better understanding of what is expected of them in the working world.

Vice Mayor Scott commended EMCC on their community involvement efforts. Dr. Lara responded that EMCC has been successful because of its community partnerships. Council Member Karlin said workforce development is instrumental in attracting new jobs to the region. She noted that the Department of Agriculture has grants available for workforce development in biomass and bioenergy products. She queried what the City of Avondale could do to support EMCC. Dr. Lara said EMCC is willing to expand programs to help the City meet its workforce development needs, and asks to be involved as early as possible when opportunities arise.

Council Member Vierhout inquired about the split between daytime and nighttime enrollment, and about international enrollment. Dr. Lara explained that 75% of students attend during the daytime, and that portion has been growing as the student population has gotten younger. International student numbers at EMCC are low, since nearby housing is limited, and other institutions have a greater number of programs to offer them. Council Member Vierhout asked about student bus use. Dr. Lara responded that more students are using the bus, and for many it is their only transportation.

3) RIO SALADO COLLEGE PRESENTATION

A presentation by Dr. Chris Bustamante, President of Rio Salado College regarding the state of education in Avondale and the role of the College in that system as well as his perspective on student preparedness and workforce readiness.

Gina Montes, Neighborhood & Family Services Director, introduced Dr. Chris Bustamante. Dr. Bustamante said Rio Salado College prides itself on innovation. RSC is recognized throughout the nation as a leader in online education, is involved in six projects funded by

the Bill and Melinda Gates Foundation, and is a part of the national conversation on the uses of technology in higher education. RSC is part of the Maricopa County Community College District, and was founded to be a college without walls over 30 years ago. RSC runs the largest education program for prisoners in the state. It has many programs dedicated to workforce education, with more than 50 business and industry partnerships in the county. Certificates and pathways are customized to the needs of those businesses.

Dr. Bustamante said the Avondale campus is designed to provide adult basic education and GED services to supplement what EMCC is already doing. It also provides asynchronous online formats for 1,600 students from surrounding communities. Over 8,000 students are served in what is the largest adult basic education program in the state. As an institution, RSC serves 70,000 students every year in Maricopa County and 43,000 students online. Dual enrollments with RSC are possible at more than 40 area high schools. RSC also has the largest teacher education program in the state.

Dr. Bustamante described some of RSC's innovations. New courses start year round, providing maximum flexibility to students. At \$76 a credit hour, classes are affordable. Online offerings provide accessibility to students who are time or place bound. Courses are always guaranteed, and never canceled. Airmen deployed at Luke Air Force Base can begin in-person courses at the base, and can finish courses online when they get deployed overseas.

Miranda Lopez, Director of Community Partnerships, reported that enrollment at the Avondale Center has burgeoned from 300 to over 1,000 students. It is the only one of the ten Maricopa Colleges that provides adult learning and literacy. College Bridge Pathways helps students recognize their potential beyond the GED. The Adult Ace Program works for adults in the GED the same way the high school Ace Program does. Avondale Center is a 12,000 square foot facility with five classrooms, a computer lab, a large community room, and a testing center. Bilingual computer classes and career counseling services are offered. The center's community partners include Care1st Resource Center, the Southwest Valley Chamber of Commerce, Westside Head Start, and EMCC.

Council Member Vierhout noted that the nation's founding fathers believed that education was the pathway out of poverty. Council Member McDonald asked whether RSC has a corporate college to offer task-specific training. Dr. Bustamante responded that RSC offers training programs customized for pathways within a specific workplace. Council Member McDonald said dual enrollment helps high school students reduce the amount of time they have to spend in college. The course offerings for military personnel are extremely helpful.

4) RENAMING OF EL MIRAGE ROAD FROM I-10 TO VAN BUREN STREET

Renaming of El Mirage Road between I-10 and Van Buren to Fairway Drive.

Mr. McClendon said when the Maricopa Association of Governments (MAG), and Arizona Department of Transportation (ADOT) raised the possibility of a future interchange on El Mirage Road, they suggested renaming the street to Fairway Drive to avoid confusion with motorists looking to go to the City of El Mirage. When Loop 303 is eventually extended around north Peoria, it will intersect with another section of El Mirage Road, which could cause even more confusion. This change would make the street more

consistent and would cause little disruption, especially if it happens now. If City Council finds the idea favorable, this item will be presented for action at a future meeting.

Daniel Davis, Economic Development Director, stated that the 2012 Transportation Plan includes plans for a full interchange at the El Mirage alignment. The road does not extend north of the freeway because of Friendship Park. To the south of Van Buren, the street is named Fairway Drive. Transition requirements would be small, and few businesses would be impacted. Currently, the Avondale Commerce Center only has ten businesses operating there. On the east side of El Mirage are two unoccupied single-family residential home sites.

Mr. Davis said the renaming would provide consistency with Fairway Drive to the south. Once the interchange is built, the number of businesses at the commerce center will likely increase. The City could offer a financial assistance package for impacted businesses, consisting of \$750 per business. This would cover incidental expenses that would be incurred as they update their marketing materials. Traffic signal signs at Van Buren and El Mirage would have to be changed. Engineering estimates that this would cost \$4,000. The total cost of the renaming project would be about \$11,500. Costs could be paid for out of the City's Economic Opportunity Fund or the Traffic Signals Maintenance Fund.

Mr. Davis reviewed next steps. Implementation would occur July 1, giving the City several months to roll out the program. Appropriate public safety agencies would be notified. Lead time is required to have new signs in place by the implementation date. Affected businesses have reacted positively to the proposal, as many drivers have confused El Mirage Road as being in the City of El Mirage.

Mayor Lopez Rogers inquired about issues related to the postal service. Mr. Davis explained that the City would notify USPS well enough in advance to make the necessary changes. Council Member Karlin noted that El Mirage Road exists near Phoenix International Raceway (PIR), and inquired whether this section would be left alone. Mr. Davis responded that the renaming would only impact the limited area between the freeway and Van Buren where the interchange would be built. Areas to the south and the north would remain the same. Council Member Vierhout said the timing is right for renaming. Vice Mayor Scott said the assistance packages would help smooth over objections, and let businesses know the City cares about them.

5) UPDATE ON UTILITY SECURITY DEPOSITS

An update on the effectiveness of Ordinance 1425-1010, which increased the amount of the security deposit for utility accounts.

Mr. McClendon noted that City Council requested an update on Ordinance 1425-1010, once adequate data could be collected. Kevin Artz, Director of Finance and Budget, said the Ordinance was passed in 2010, increasing utility account security deposits from \$75 to \$175. It also eliminated the provision for a letter of credit, and a provision to refund the deposit after a year of good payment history. In July 2011, staff presented another Ordinance, increasing the deposit from \$175 to \$250 for residential customers who do not live at the service location. These ordinances were brought forward in response to state

legislation limiting the ability of cities to collect on delinquent accounts and hold landlords responsible for their tenants' water accounts.

Mr. Artz said staff analyzed all accounts open and closed in three periods:

- (A) December 1, 2009 to November 30, 2010 – 465 delinquent accounts, for \$76,000
- (B) December 1, 2010 to November 30, 2011 – 163 delinquent accounts, for \$13,000
- (C) December 1, 2011 to November 30, 2012 – 151 delinquent accounts, for \$17,000

The number of delinquent accounts was reduced by 314, or 68%, and the outstanding balance went down by about \$59,000, or 77% over two years.

Mr. Artz reported that staff also looked at all accounts that were closed in fiscal years 2010, 2011, and 2012. The outstanding balance went from \$408,000 in 2010, down to \$311,000 in 2011, and to \$189,000 in 2012. Total revenue has been fairly consistent over that time frame, from \$23 million, down to \$22.9 million, and up to \$24 million in 2012. The percentage of the outstanding balance to revenue has gone down from 1.77% to 0.79%. The City collected 99.2% of the billed revenue from the past year. The number of delinquent accounts has dropped from 2,116, to 1,257 by June 30, 2012. Delinquent accounts have decreased by 41%, while outstanding balances dropped by 54%.

Mr. Artz said 90% of delinquent accounts for FY 2011/12 had been at their service location for more than two years. This suggests that the majority of rentals now have deposits, which can be used to cover remaining balances when they leave. Most of the delinquent accounts are older than two years and either do not have deposits, or have the smaller deposit of \$75. Staff estimates that the cost of delinquency for 2012 is \$9.14 per account. Compared to 2010, when the cost per account was approximately \$19, the Ordinance saves the City \$10 per account from delinquencies. Staff believes it is appropriate to forgo the 23 cents per year in interest from the deposit in order to save \$10 per account.

Mr. Artz explained the benefits of holding deposits until accounts close. Deposits provide incentives to customers to notify the City when their service is no longer needed. Good payment history has generally not guaranteed that final closing bills will be paid. Staff recommends that City Council maintain the current Ordinance.

Council Member Vierhout inquired about the ability to pay deposits in installments. Mr. Artz explained that Avondale allows deposits to be paid in three installments of \$80, \$80, and \$40, a total of \$200. Council Member Vierhout asked whether it costs an extra \$25 to handle installment plans. Mr. Artz said it does not, but there have been cases where people move into a location for just 30 days, making only one payment, and leave with a bill greater than \$80. Council Member Vierhout queried whether the City would ever recover the \$1 million in outstanding delinquencies. Mr. Artz said a portion gets written off each year through financial audits. If the City continues requiring deposits, the delinquency balance would drop to about \$350,000 in three years.

Council Member McDonald asked whether deposits made on the installment plan were returned in their entirety. Mr. Artz said the full \$200 is credited against the outstanding balance. Council Member McDonald inquired about the number of accounts with the new higher deposits. Mr. Artz said approximately 8,500 accounts have them, which is

approximately 41%. Council Member McDonald said the Ordinance was the right move, since it protects everybody who pays water bills.

Vice Mayor Scott agreed that the Ordinance has improved the situation. The deposit asks new residents to assume responsibility for paying their bills, and the payment plan is fair. Mayor Lopez Rogers said the City will move forward with the current Ordinance.

6) EXECUTIVE SESSION

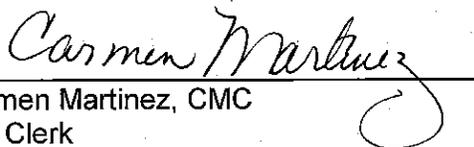
- a. The Council may hold an executive session pursuant to Ariz. Rev. Stat. § 38-431(A)(4) for discussion or consultation with the City Attorney in order to consider its position and instruct the City Attorney regarding negotiations for a potential Lease Agreement for City property.

7) ADJOURNMENT

With no further business before the Council, Council Member Vierhout moved to adjourn the Special Meeting. Council Member Vice Mayor Scott seconded the motion. The motion carried unanimously.

Meeting adjourned at 7:58 p.m.

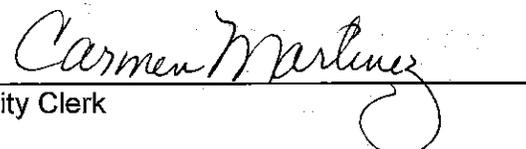


Mayor Lopez Rogers

Carmen Martinez, CMC
City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Council of the City of Avondale held on the 14th day of January 2013. I further certify that the meeting was duly called and held and that the quorum was present.



City Clerk