

Minutes of the Work Session held March 17, 2014 at 6:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Lopez Rogers and Council Members

Frank Scott, Vice Mayor
Stephanie Karlin
Bryan Kilgore
Jim McDonald
Charles Vierhout
Ken Weise

ALSO PRESENT

David Fitzhugh, Acting City Manager
Gina Montes, Assistant City Manager
Kevin Artz, Finance and Budget Director
Christopher Reams, Parks, Recreation and Libraries
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1 ROLL CALL BY THE CITY CLERK

2 UNFUNDED CAPITAL IMPROVEMENT PROJECTS UPDATE

Kevin Artz, Finance Director, reviewed a list of identified projects that have not yet been prioritized and included in the draft Capital Improvement Plan, and requested Council feedback on priorities. Staff seeks direction on the issuance of General Obligation (GO) bonds. Historically, Avondale has not issued GO debt if it would result in an increase in the property tax rate, but this is one option to consider. The balanced CIP will be presented to City Council in April.

Mr. Artz said staff met with the Citizens CIP Committee in February to present all potential projects, including a list of 17 projects that were either new or had significantly changed from the prior year. The Committee was asked to determine priority projects for funding. The approximate General Fund cost for the 17 projects is \$20 million. Staff estimates that about \$8 million to \$10 million is available to allocate to those projects, leaving a funding deficit of \$10 million to \$12 million if all 17 are approved. If the entire fund balance is spent this year, it would take three to four years to replace it, which will reduce City Council's flexibility in future years. Avondale has \$7.2 million worth of voter authorization in the Parks Fund, and over \$7 million in the Streets Fund. If the City issued \$7 million in GO bonds to fund the Dysart Road project, the property tax rate would have to increase from \$1.75 per \$100 of assessed valuation to \$2.00, representing an increase of \$60 per year for the average homeowner.

Mr. Artz said the CIP Committee prioritized five projects: Dysart Road from Van Buren to MC85; the Van Buren Drainage Channel; the Multi-Modal Trail System; Festival Fields improvements; and Friendship Park improvements. The total cost of Dysart Road is \$3.9 million. With cost sharing factored in, the net cost to the City is \$2.9 million for FY2015. The project ranked highly because of the opportunity to share costs. The Van Buren Drainage Channel would cost \$19 million. With cost sharing potential of \$7.6 million, the City would be left to cover a net cost of \$8 million in the first three years, and \$5 million in the out years. This was also ranked highly. The Multi-Modal trail system is projected as costing \$13.5 million to the General Fund. No grant funding has been identified for this

project, and the City cannot use development fees for the local portion of the trail system. The Committee ranked this as a high priority. Festival Fields is projected at \$3 million. No cost sharing is available. The project would cost \$1.5 million in FY 2015 and \$1.6 million in FY 2020. This project was ranked as a medium priority. Friendship Park enhancements would cost \$7.5 million, with no cost sharing available. The net cost would be \$2.2 million in FY 2015 and \$5.3 million in FY 2019/20. The Committee ranked this as a low priority.

Council Member McDonald noted that a \$2 million Maricopa Association of Governments (MAG) grant would require completing the entire Van Buren project at once. He proposed using that money for pedestrian improvements on the Dysart project instead, which would allow Van Buren to be completed in phases. It is better when improvements are made throughout the city instead of only at one spot. He said he likes the trail system, but there is more value to be gained by concentrating on higher profile park projects. The Friendship Park enhancements would create more opportunity to serve more people and attract tournaments. Mr. Fitzhugh explained that staff would have to consult with MAG on the feasibility of transferring money from Van Buren to Dysart. The process could take six months or more to navigate through several committees.

Council Member Weise asked whether the Friendship Park and Festival Fields projects had to be done in tandem. Christopher Reams, Parks Recreation and Libraries Director, said the movement of the ball fields would have to be coordinated, but other parts of the projects would not. Council Member Weise said he could put off the trail system for a while. The Van Buren project takes a back seat to Dysart and Friendship. He said he would like Avondale to lower its bond debt, not take on more.

Council Member Vierhout agreed with previous comments to wait on the trail system. Van Buren does not have flooding issues like other streets. He would prefer to spend money to enhance existing parks rather than build a flood control system with a park in it. Dysart is the highest priority along with smaller improvements at both parks. This is not the time to increase property taxes.

In response to a request from Council Member Karlin, Mr. Artz explained that some of the remaining projects on the list of 17 were small enough to be funded by other sources. Council Member Karlin said she did not see the need to use all the funds at once, and preferred to retain more flexibility. The Dysart Road project would help with traffic flow and economic development.

Vice Mayor Scott said the drainage channel is his least favorite project on the list because it would add parks at the expense of existing parks. Dysart is important. The established parks should receive the majority of attention. If the city built two miles of the trail system, it would connect to nothing. The smaller park projects are of lower impact and should be lower priorities. He felt a dog park should be added to Festival Fields.

Council Member Weise inquired about the impact of unexpected costs on the CIP. Mr. Artz said typically the budget includes an unassigned fund balance to provide flexibility if something unexpected emerges. Council Member Kilgore inquired whether the City Council could retain flexibility by only spending part of the fund balance. Mr. Artz explained that the

City could fund Dysart Road, the park projects and some smaller projects while retaining some available flexibility. Council Member Kilgore said he would favor that approach.

Council Member McDonald said the City should live within its means and not raise taxes to finish some projects. Nobody remembers when taxes are lowered, so it should remain where it is. Vice Mayor Scott inquired about the rainy day fund. Mr. Artz said the City maintains 35% of budgeted expenditures from the prior year as a committed fund balance. City Council has adopted a policy to keep that 35%, but can amend it to free up some additional fund balance. Vice Mayor Scott suggested focusing on finishing improvements to Avondale Boulevard, which is the heart of the city, considering the investments that have been made already there. Council Member Vierhout agreed. He felt the City should work on the smaller projects that reduce street flooding.

Mayor Rogers said the trail system proposal depended on development fees. She inquired about the impact that the Van Buren channel would have on City Center. Mr. Fitzhugh responded that the original intent of the channel was to help offset some of the cost of development for City Center. When a property develops, it has to retain its hundred year two-hour storm event capacity. The densities required for City Center are already expensive to develop. If the channel is not built, the drainage costs would go back to individual projects to address. The Flood Control District has agreed to participate in cost sharing, but with conditions. If the project is phased and MAG funds cannot be reallocated, those funds could be lost. Mayor Rogers asked whether the drainage channel would qualify for GO bonds. Mr. Artz said Avondale does not currently have a GO authorization for drainage, but some of its park amenities could qualify. Mayor Rogers requested that staff provide more detail and options on projects during the future budget hearings.

3 ADJOURNMENT

There being no further business before the Council, Council Member Weise moved to adjourn the regular meeting into executive session. Council Member Vierhout seconded the motion, which carried unanimously.

City Council meeting adjourned at 6:41 p.m.



Marie 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 Work Session of the Council of the City of Avondale held on the 17th day of March. I further certify that the meeting was duly called and held and that the quorum was present.



City Clerk

Minutes of the Regular Meeting held March 17, 2014 at 7:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Lopez Rogers and Council Members

Frank Scott, Vice Mayor
Stephanie Karlin
Bryan Kilgore
Jim McDonald
Charles Vierhout
Ken Weise

ALSO PRESENT

David Fitzhugh, Acting City Manager
Gina Montes, Assistant City Manager
Eric Morgan, Development Services Department
Wayne Janis, Public Works Director
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

Carmen Martinez, City Clerk, read a statement of participation regarding public appearances.

2 RECOGNITION ITEMS (MAYOR PRESENTATIONS)

RESOLUTION 3175-314 - HONORING JUDGE RICHARD LYNCH ON OCCASION OF HIS RETIREMENT

Mayor Rogers read the resolution in honor of Judge Lynch.

Council Member Weise moved to adopt Resolution 3175-314; Council Member Karlin seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member Vierhout	Aye
Council Member McDonald	Aye
Council Member Weise	Aye
Mayor Rogers	Aye
Vice Mayor Scott	Aye
Council Member Karlin	Aye
Council Member Kilgore	Aye

Motion carried unanimously

Judge Lynch expressed gratitude for the opportunity to serve Avondale.

3 UNSCHEDULED PUBLIC APPEARANCES

There were no requests to address the Council.

4 CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. APPROVAL OF MINUTES

1. Special Meeting of February 24, 2014
2. Work Session of March 3, 2014
3. Regular Meeting of March 3, 2014
4. Special Meeting of March 5, 2014

b. SPECIAL EVENT LIQUOR LICENSE - EVENING UNDER THE STARS 2014 AT TRINITY FAMILY LIFE CENTER

A request from Ms. Elizabeth Contreras on behalf of Trinity TEAM, the parent-teacher organization at Trinity Lutheran School, for a special event liquor license application to be used in conjunction with a fundraising event to be held on Saturday, April 12, 2014 at the Trinity Life Center located at 830 E. Plaza Circle in Avondale.

c. LIQUOR LICENSE - PERSON AND LOCATION TRANSFER SERIES 6 BAR LICENSE - CLUB SANTA FE

A request for approval of an application submitted by Mr. Samuel Rodriguez Contreras for a Person and Location Transfer of a Series 6 - Bar Liquor License to serve all spirituous liquors to be used at Club Santa Fe located at 10907 W Buckeye Road in Avondale.

d. COOPERATIVE PURCHASING AGREEMENT - PSC ENVIRONMENTAL SERVICES, LLC

A request to approve a Cooperative Purchasing Agreement with Environmental Services, LLC for the collection and disposal of household hazardous waste for an annual aggregate amount not to exceed \$15,000, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

e. PROFESSIONAL SERVICES AGREEMENT - KENNEDY-WILSON PROPERTIES OF AZ

A request to approve a Professional Services Agreement with Kennedy-Wilson Properties, Ltd. to provide property management services for Avondale Corporate Center, 125 South Avondale Boulevard, and the City Center retail area in the amount of \$21,239 and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

f. PROFESSIONAL SERVICES AGREEMENT - ARCADIS U.S., INC. - WATER MODEL UPDATE AND PRESSURE ZONE STUDY

A request to approve a Professional Services Agreement with ARCADIS US, Inc. to provide services pertaining to a Water Model Update and Pressure Zone Study in the amount of \$66,500, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

g. FIRST AMENDMENT TO COOPERATIVE PURCHASING AGREEMENT – PUEBLO MECHANICAL AND CONTROL, INC.

A request to approve the first amendment to the Cooperative Purchasing Agreement with Pueblo Mechanical & Controls, Inc. to increase the amount of the agreement by \$68,608.48 and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

h. RESOLUTION 3174-314 AND ORDINANCE 1539-314 - AVONDALE CITY CODE CHAPTER 14, PROPERTY MAINTENANCE ORDINANCE

A resolution declaring as a public record the "City of Avondale Property Maintenance Ordinance, March 17, 2014." and an ordinance deleting from the Avondale City Code Chapter 15, Article III, Property Maintenance Code and Chapter 15, Article IV, Registration of Residential Rental Property and adding a new Chapter 14, Property Maintenance Ordinance.

i. RESOLUTION 3176-314 EXPRESSING SUPPORT FOR THE RESTORATION OF THE ARIZONA HIGHWAY USER REVENUE FUND DISTRIBUTION

A resolution supporting the restoration of the Arizona Highway User Revenue Fund to cities, towns, counties and State highways.

j. ORDINANCE 1538-314 - ACCEPTING DEDICATION OF WATERLINE EASEMENT – AGUA FRIA HIGH UNION SCHOOL DISTRICT, NO. 216

An ordinance accepting the dedication of a waterline easement for the Agua Fria High School campus located at the northwest corner of Dysart Road and Riley Drive and authorize the Mayor or City Manager and City Clerk to execute all the necessary documents.

k. ORDINANCE 1541-314 - ACQUISITION OF RIGHT-OF-WAY AND FOR VAN BUREN MULTI-USE CORRIDOR (LEGACY CHARTER SCHOOL)

An ordinance authorizing the dedication, purchase or condemnation of right-of-way, access and maintenance easement, and temporary construction easement for the Van Buren Multi-use Corridor located west of Fairway Drive and east of 127th Avenue and authorize the Mayor or City Manager and City Clerk to execute the necessary document.

Council Member Weise moved to approve the consent agenda as presented including Resolutions 3174-314 and 3176-314 and Ordinances 1539-314, 1538-314 and 1541-314. Council Member Vierhout seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member Vierhout	Aye
Council Member McDonald	Aye
Council Member Weise	Aye
Mayor Rogers	Aye
Vice Mayor Scott	Aye
Council Member Karlin	Aye
Council Member Kilgore	Aye

Motion carried unanimously

5 PUBLIC HEARING AND ORDINANCE 1540-314 – DESERT SUN MARKET REZONING

A public hearing and ordinance rezoning approximately 0.5 acres from Single Family Residential (R1-6) to Cashion Business District (CBD) in conformance with the General Plan Land Use Map, which shows the property as Local Commercial. The property consists of two platted lots in the Cashion subdivision.

Eric Morgan reviewed the particulars of this item as more specifically described in the council report.

Mayor Rogers opened the public hearing. There being no requests to speak, Mayor Rogers closed the public hearing.

Council Member McDonald moved to adopt Ordinance 1540-314 rezoning approximately 0.5 acre from Single Family Residential to Cashion Business District; Council Member Vierhout seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member Vierhout	Aye
Council Member McDonald	Aye
Council Member Weise	Aye
Mayor Rogers	Aye
Vice Mayor Scott	Aye
Council Member Karlin	Aye
Council Member Kilgore	Aye

Motion carried unanimously

6 FUND TRANSFER - WASTEWATER CONTINGENCY FUNDS

A request to approve the transfer of appropriations from the wastewater contingency funds in the amount of \$534,200 to the wastewater operating budget.

Acting City Manager David Fitzhugh indicated this is staff request to approve the transfer of funds to address some operational items to ensure that the plant continues to operate in compliance with requirements.

Wayne Janis, Public Works Director, reviewed the particulars of this items as more specifically described in the council report.

Council Member McDonald asked if maintenance and replacement schedules at the wastewater treatment plant was back on track after the downturn in the economy. Mr. Janis replied that staff is working to bring everything back on track, preventative maintenance is part of it to avoid issues down the road. He added that the city's two centrifuges are now working and available. Council Member McDonald asked about oxygen monitoring to prevent foaming. Mr. Janis explained staff is managing the solids to avoid the growth of bacteria that causes foaming. He added that this is not an automatic process so staff has to monitor. An automated process to avoid this problem will be part of the master plan.

Council Member Weise asked if there was a preventative maintenance schedule in place when the plant was originally built. Mr. Janis indicated that information was given to staff

originally, but staff did not have the means of equipment to conduct such maintenance. In response to a subsequent question by Council Member Weise, Mr. Janis indicated that staff operated the plant for a while but when the foaming problem was encountered, the City contracted with CH2M Hill to conduct a make recommendations and staff implemented as many of the recommendations as feasible. Staff is currently undertaking the preparation of a master plan to get a handle on the operation of the plant.

Mayor Rogers asked where the contingency funds come from. Mr. Janis indicated that the contingency funds are part of the budget but cannot be spent without Council approval.

Council Member Weise moved to approve the fund transfer; Council Member Vierhout seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member Vierhout	Aye
Council Member McDonald	Aye
Council Member Weise	Aye
Mayor Rogers	Aye
Vice Mayor Scott	Aye
Council Member Karlin	Aye
Council Member Kilgore	Aye

Motion carried unanimously

7 EXECUTIVE SESSION

An executive session pursuant to Ariz. Rev. Stat. § 38-431.03 (A)(4) for (i) discussion or consultation with the City's Attorney in order to consider its position and instruct the City's Attorney regarding potential litigation with respect to tax matters and (ii) discussion or consultation with the City's Attorney in order to consider its position and instruct the City's Attorney regarding potential litigation.

Council Member Weise moved to adjourn into executive session; Council Member Kilgore seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member Vierhout	Aye
Council Member McDonald	Aye
Council Member Weise	Aye
Mayor Rogers	Aye
Vice Mayor Scott	Aye
Council Member Karlin	Aye
Council Member Kilgore	Aye

Motion carried unanimously

Council adjourned to executive session at 7:26 p.m.

Council Member Weise move to reconvene the regular meeting; Vice Mayor Scott seconded the motion. All ayes.

Council reconvened the regular meeting at 8:35 p.m.

8 SETTLEMENT AGREEMENT AND PAYMENT FROM RISK MANAGEMENT FUND - GORLA V AVONDALE

A request to approve the settlement agreement with Mark Gorla in the amount of \$195,000 and authorize the City Manager and City Clerk to execute the necessary documents.

Council Member Weise moved to approve the settlement agreement from the Risk Management Fund in the case of Gorla v Avondale. Vice Mayor Scott seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member Vierhout	Abstain
Council Member McDonald	Abstain
Council Member Weise	Abstain
Mayor Rogers	Aye
Vice Mayor Scott	Abstain
Council Member Karlin	Abstain
Council Member Kilgore	Aye

Motion carried unanimously

9 RESOLUTION 3177-314 - HONORING LT. MARK GORLA ON THE OCCASION OF HIS RETIREMENT

A resolution honoring Lt. Mark Gorla on the occasion of his retirement.

Vice Mayor Scott moved to adopt Resolution 3177-314; Council Member Weise seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member Vierhout	Aye
Council Member McDonald	Nay
Council Member Weise	Abstain
Mayor Rogers	Abstain
Vice Mayor Scott	Abstain
Council Member Karlin	Abstain
Council Member Kilgore	Abstain

Motion carried 6-1.

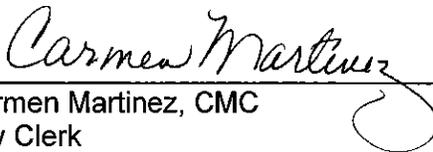
10 ADJOURNMENT

There being no further business before the Council, Council Member Weise moved to adjourn the regular meeting. Vice Mayor Scott seconded the motion. Motion was carried unanimously.

City Council meeting adjourned at 8:37 p.m.



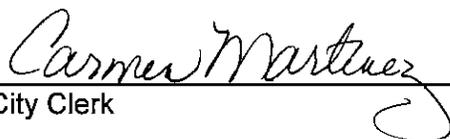
Mayor Lopez Rogers



Carmen Martinez, CMC
City Clerk

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I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Council of the City of Avondale held on the 17th day of March, 2014. I further certify that the meeting was duly called and held and that the quorum was present.



City Clerk