

Minutes of the Regular Meeting held April 20, 2015 at 6:00 p.m. in the Council Chambers.

**MEMBERS PRESENT**

Mayor Kenn Weise and Council Members

Stephanie Karlin, Vice Mayor  
David Iwanski  
Bryan Kilgore  
Jim McDonald  
Sandy Nielson  
Lorenzo Sierra

**ALSO PRESENT**

David Fitzhugh, City Manager  
Gina Montes, Assistant City Manager  
Kevin Artz, Assistant City Manager  
Ken Galica, Senior Planner  
Abbe Yacoben, Finance and Budget Director  
David Janover, City Engineer  
Dale Nannenga, Police Chief  
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 UNSCHEDULED PUBLIC APPEARANCES**

There were no unscheduled appearances.

**3 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.

**4 PUBLIC HEARING AND RESOLUTION 3246-415 – 2015-2019 CONSOLIDATED PLAN, 2015-2016 ANNUAL ACTION PLAN AND 2015 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE**

A public hearing and ordinance adopting a resolution approving the 2015-2019 Consolidated Plan and the 2015-2016 Annual Action Plan which identify housing and community development needs and strategies and define how Community Development Block grant (CDBG) and HOME funds will be allocated next fiscal year, respectively.

David Fitzhugh, City Manager, reminded City Council of the two previous presentations they received on this item, and noted that there have been no changes since.

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

Council Member McDonald moved to adopt the 2015-2019 Consolidated Plan, the 2015-16 Annual Action Plan and the 2015 Analysis of Impediments to Fair Housing Choice. Council Member Sierra seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member McDonald	Aye
Council Member Iwanski	Aye
Council Member Nielson	Aye
Mayor Weise	Aye
Vice Mayor Karlin	Aye
Council Member Kilgore	Aye
Council Member Sierra	Aye

Motion carried unanimously.

**5 PUBLIC HEARING AND ORDINANCE 1579-415 AMENDMENT TO AVONDALE GATEWAY PARK/GATEWAY PAVILIONS PLANNED AREA DEVELOPMENT (PAD)**

A request by Mr. Matt Smith, Clothes Mentor LLC on behalf of property owner Inland Western Avondale McDowell LLC, to adopt an Ordinance amending the Gateway Pavilions Planned Area Development (PAD) to allow for "Non-Consignment Secondhand Apparel Retail Store" uses on Lot 2 located east of Harkins Theater and west of Costco.

Ken Galica, Senior Planner, said Application PL-14-0238 is a request to amend the Avondale Gateway Park PAD, which is commonly known as Gateway Pavilions. The PAD is located on the northwest corner of 99<sup>th</sup> Avenue and McDowell Road. This request is limited to Lot 2, which is an irregularly shaped parcel with an island in the middle, containing the bulk of the major retailers in the shopping plaza. The parcel is surrounded to the south by retail uses and the Gateway Crossing development, and to the east and west by additional portions of the same shopping center. To the north lies the site of the former CJ Studios, which is now unused. The property was annexed in 1981 and zoned PAD in 1985. It originally called for development in three subzones. In 2001, the PAD was amended to eliminate any distinctions between subzones, and the property was united under C-2 retail with modifications. One of those modifications prohibited the sale of used merchandise.

Mr. Galica said the current shopping center plan was approved in 2001, and development occurred that same year. The Final Plat was approved the following year, creating 11 lots, including Lot 2. There is only one vacant lot remaining, and the buildings are near full occupancy. The amendment is to allow a Non-Consignment Secondhand Apparel Retail store. This use would allow for the sale of previously owned fashion-related merchandise, but would not allow for any previously owned appliances, cars, furniture, etc. All merchandise sold at this location must be purchased by the store for resale, and sale of donated items would be prohibited. All activities must occur indoors. This amendment intends the store to operate more as a new retail shop than a thrift store.

Mr. Galica explained that a new variety of specialized retail shops have emerged as desirable uses. This represents a change from when the PAD was first adopted. Similar types of stores have been allowed in prominent locations in Scottsdale, Chandler, Glendale, Phoenix, and Tempe. As a full amendment, this application must go through the full public participation process, which included site posting, legal advertising in the *West Valley View*, mailing to property owners within 500 feet, a neighborhood meeting, and a Planning Commission meeting. No public comments have been submitted to the City regarding this matter. The Planning Commission recommended approval in March by a four to zero vote, subject to the two staff recommended stipulations.

Council Member Nielson asked whether the other tenants approve of this amendment. Mr. Galica noted letters of support from some tenants in the shopping center who expressed their views of the proposed user as an upscale merchant. People will bring in items for sale and the store will purchase only those items they are interested in reselling. Vice Mayor Karlin said this type of business was not envisioned when the site was first laid out as the gateway to the community. She expressed the hope that the store will operate in a manner that will cast these types of businesses in a positive light.

Mayor Weise inquired whether this decision would set a legal precedent that could eventually allow for thrift stores. Andrew McGuire, City Attorney, explained that this decision on this PAD would only affect this specific portion of Gateway Pavilions. Mayor Weise acknowledged that these types of shops exist in some of the best shopping centers around the Valley. The City has placed enough protections in the amendment to avoid any unpleasant issues.

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

Council Member McDonald moved to adopt the Ordinance approving Application PL-14-0238, a request to amend the Gateway Park (aka Gateway Pavilions) Planned Area Development (PAD), allowing for "Non-Consignment Secondhand Apparel Retail" stores on Lot 2 only, subject to two conditions, and as recommended by the Planning Commission. Council Member Sierra seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Council Member McDonald	Aye
Council Member Iwanski	Aye
Council Member Nielson	Aye
Mayor Weise	Aye
Vice Mayor Karlin	Aye
Council Member Kilgore	Aye
Council Member Sierra	Aye

Motion carried unanimously.

**6 PUBLIC HEARING AND ORDINANCE 1578-415 REZONING FROM MH (MANUFACTURED HOME PARK) TO C-2 (COMMUNITY COMMERCIAL)**

A request by property owner Ms. Sandee Roberts, Leisure Industries, to adopt an Ordinance amending the zoning atlas from MH (Manufactured Home Park) to C-2 (Community Commercial) for 1.3 gross acres of property located approximately 175 feet north of the northeast corner of Dysart Road and Brinker Drive.

Ken Galica, Senior Planner, stated that the property to the east of the parcel in question is Wigwam Villa, a manufactured home park. To the north lies an undeveloped C-2 zoned property. To the south are a driveway and a commercial development. Across Dysart Road to the west is Agua Fria High School. The property was annexed in 1956, and zoned R-5 (Multi-family Residence General). In 2009, the R-5 District was changed to MH to better define its type. The parcel functioned as a manufactured home dealership from 1972 to 2012. A two-story office building was constructed in 1978 to be used as the sales office. The remainder of the site is vacant.

Mr. Galica explained that the proposed rezoning will bring the property into conformance with the General Plan land use map. C-2 Districts are mainly used in commercial corridors, such as Dysart Road. All future development of the site would be subject to the stringent requirements of the Zoning Ordinance, development standards, and other documents. This change would represent continued progress in the redevelopment of Historic Avondale.

Ms. Galica said this project has already been through the public outreach process. It was posted, notifications were mailed, ads were published, neighborhood meetings were held, and no comments have been received from any citizens. The Planning Commission unanimously recommended approval in March with no conditions.

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

Council Member Nielson moved to accept the findings and ADOPT the Ordinance approving Application PL-14-0216, a request to rezone approximately 1.3 acres from MH (Manufactured Home Park) to C-2(Community Commercial). Council Member McDonald seconded the motion.

**ROLL CALL VOTE AS FOLLOWS:**

Council Member McDonald	Aye
Council Member Iwanski	Aye
Council Member Nielson	Aye
Mayor Weise	Aye
Vice Mayor Karlin	Aye
Council Member Kilgore	Aye
Council Member Sierra	Aye

Motion carried unanimously.

## 7 PUBLIC HEARING PRELIMINARY PLAT FOR SAN VILLAGIO

A request by Mr. James Abraham, Clouse Engineering, Inc., for approval of a preliminary plat for San Villagio, a proposed gated 34-lot single-family detached residential subdivision with private streets on approximately 11 gross acres of land, located at the northeast corner of Avondale Boulevard and Encanto Boulevard.

Ken Galica presented the preliminary plat for San Villagio. The parcel was rezoned several months ago. The plat proposes 34 lots with four open space tracts, lot widths of between 60 and 65 feet, with the average area being 8,600 square feet per lot. One tract is the private street in the gated community. The remaining tracts are open spaces fronting Encanto Boulevard. The Applicant agreed to several restrictions on the plat, those being to prohibit two-story homes on Lots 5, 6, 23, and 24, and that no more than three two-story homes would be located in a row. The Planning Commission reviewed the application in March, and recommended approval, subject to two standard conditions.

Council Member McDonald moved to APPROVE Application PL-14-0053, a request for approval of a preliminary plat, subject to two recommended conditions of approval. Council Member Nielson seconded the motion.

### ROLL CALL VOTE AS FOLLOWS:

Council Member McDonald	Aye
Council Member Iwanski	Aye
Council Member Nielson	Aye
Mayor Weise	Aye
Vice Mayor Karlin	Aye
Council Member Kilgore	Aye
Council Member Sierra	Aye

Motion carried unanimously.

## 8 FY 2015/16 BUDGET

The City Manager and staff presented the proposed budget plan for the 2015-16 fiscal year, which totals \$169,644,780 prior to requested adjustments.

David Fitzhugh, City Manager, introduced the second budget session to review the Capital Improvement Program portion of the FY2015/16 budget. Abbe Yacoben, Finance and Budget Director, said the CIP covers ten years, with a focus on a five-year plan. Once City Council approves a project, it becomes part of the first-year appropriations. The CIP prioritizes City Council goals, incorporates the Infrastructure Improvement Plan (IIP), and tries to maximize funding. Many different groups participate in the process of developing the CIP. Citizens first meet to provide input on the projects they would like to see built. The Citizens CIP Committee then meets to prioritize projects.

Ms. Yacoben said the CIP is funded by a number of different sources, with development fees being a large source of revenue. Other important funding sources are dedicated sales tax, operating fund transfers from the General Fund, grants and intergovernmental agreements, bonds and capital leases, project cost sharing with non-government entities, and internal replacement charges.

### **Streets**

City Engineer, David Janover, reviewed the Streets CIP. Ongoing projects include citywide street enhancements and street maintenance such as the residential street overlay of the oldest Garden Lakes subdivisions, and various crack seals and fast treatments on arterials and collector streets.

The McDowell Bridge to Avondale Boulevard involves no grants and is being funded with City funds. It is still in the design stage. Staff is considering reducing the scale of the project to lower the overall cost, while still meeting City needs. Instead of a full removal and replacement (R&R) of the entire roadway asphalt, the project now only requires a mix of R&R and mill/overlay, which will reduce the cost substantially. The project to build a two-way left turn lane on Indian School from Dysart to El Mirage has been completed. The project to widen Thomas Road from 99<sup>th</sup> to 103<sup>rd</sup> Avenue is in the design phase. The 107<sup>th</sup> Avenue project from Roosevelt to Van Buren consists of improvements to the west side of the street and requires utility relocation. The City is in the process of acquiring the necessary right-of-way. Central from Western Avenue to Van Buren has received sewer and water line upgrades in preparation for roadway improvements.

Mr. Janover reviewed capital projects for FY2015/16. Streets requests \$700,000 each, for the Citywide Street Overlay and the Preventative Street Maintenance line items. The entire roadway system is reviewed every two years to evaluate pavement conditions for each segment. Reports are made on the most urgent needs, and the Pavement Maintenance Supervisor chooses which streets to pave each year. Approximately 70% of roadway infrastructure was built between 1996 and 2007 in Avondale. In the last three years, it has been a challenge to ensure that those roads receive critical first preservation treatments to prevent aging. Next year, microseal treatments will be placed on additional arterial roads, and a major treatment is planned for numerous collector streets in 13 neighborhoods around the city. As revenues increase, these two line items should ideally be increased year by year.

Mr. Janover said the McDowell bridge project cost was reduced by \$1.3 million to \$2.5 million, and construction will begin in spring of 2016. The Avondale Road and Buckeye intersection project consists of improvements that include the widening of the northbound approach to add dedicated right-turn lanes, as well as an ADA compliant railroad crossing. The City's cost share is approximately \$560,000, but the money has to be paid up front prior to reimbursement. The carryover fund will be adequate to meet this expense. The project on Thomas from 99<sup>th</sup> to 103<sup>rd</sup> requires no grant funding. Private development on the north side of the street will contribute \$220,000 to account for the frontage. The cost of design and construction is estimated at \$1.4 million this year, with the developer agreeing to pay their portion in the future. The 107<sup>th</sup> Avenue widening project from Roosevelt to Van Buren

is in two phases, and \$1.495 million is for the design and construction of both phases. In addition, aesthetic funds of \$1.3 million will be contributed by SRP towards the project.

Mr. Janover stated that the roadway improvements to the second phase of the Central Avenue project from Western to Van Buren are expected to begin this summer. The project entails a complete pavement reconstruct, with raised landscape islands, separate bike paths, ADA compliant driveways, bus bays, and new streetlights. The revised estimated construction cost total is \$3.251 million, with the City's portion being \$1.97 million. Grant money was not secured for this, so funds will be appropriated from other street projects and the Public Works Water Fund.

Mr. Janover reviewed some of the projects scheduled for future years. Van Buren from 99<sup>th</sup> Avenue to Avondale Boulevard will require a mill/overlay in 2020 to increase its operational life, and this will require \$1.2 million. Future widening of a part of Avondale Boulevard and surface treatment from McDowell to Thomas will be developer driven and require \$1.4 million. Dysart Road will be extended from Lower Buckeye to Harrison and this is also developer driven. Design will require \$300,000 in 2020, and \$2.2 million in 2025.

The widening of the 107<sup>th</sup> Avenue and McDowell intersection is developer driven; an SRP well and private irrigation channel will have to be relocated. Design and construction will require \$1.9 million. Fairway Drive - Phase 1 will realign the road to match up with ADOT traffic improvements. An estimated \$400,000 will be needed in 2016 for the design, and \$1.8 million for 2017 for construction. Phase 2 will widen the road to five lanes and right-of-way will be required, which will require \$220,000 in 2018 for design and \$1.6 million in 2019 for construction.

Mr. Fitzhugh explained that the Streets CIP is divided into two pieces. The first is identified as development impact fee-eligible projects, which are included in the IIP and used for the calculation of the fee. There are no projects in this section for the first three years, because there has not been enough growth to generate enough revenue. The Central Avenue project only received \$200,000 in federal grant money, which was far less than anticipated. The Dysart Road project is growth related and will not move forward until there is enough demand. Fairway Drive will be closely coordinated with ADOT's work there.

In response to an inquiry from Council Member McDonald, Mr. Fitzhugh said the Fairway Drive project will become a reality once it is moved into the first year. Funds will not have to be allocated until then. Construction will not be moved up until City Council authorizes the expenditures. Council Member McDonald expressed concern that the funding dedicated to street maintenance would not be enough to catch up to existing needs. Mr. Janover responded that the City has been working to catch up before too much degradation occurs. The proposed scheduled with increased appropriations in future years should leave the roads in good shape. Mr. Fitzhugh said other than the McDowell project, which has been scaled down, the City has allocated enough money to other projects to keep them within the scope of City Council's original vision.

Council Member McDonald noted that with the current low interest rates, it might make sense to explore additional bonding to allow the City to catch up on road maintenance. Mayor Weise concurred, adding that the City's bonding capacity is good right now.

Ms. Yacoben responded that the City's debt burden is such that she doubted the rating agencies would downgrade it for issuing a reasonable amount of debt at this time. Mr. Fitzhugh said he would not be opposed to that suggestion, but would want to consider the matter in a balanced way. There are needs in other funds that also could be addressed.

In response to an inquiry from Council Member Nielson, Mr. Fitzhugh explained that Avondale has an agreement with Tolleson regarding improvements to both 99<sup>th</sup> Avenue and 107<sup>th</sup> Avenue. Both cities contributed to those two projects. Avondale maintains 107<sup>th</sup> Avenue, while Tolleson maintains 99<sup>th</sup> Avenue. From an operational perspective, it is much easier to maintain an entire road than just part of it. Council Member Nielson requested that staff provide an annual report on CIP projects to explain which came in under budget, and which projects exceeded budget. Citizens want to know that their money is being spent wisely. Mr. Fitzhugh responded that this would be a good opportunity to reevaluate all CIP projects going into next year.

### **Police Department**

Chief Nannenga reviewed the three CIP projects for the Police Department. A command vehicle is needed that will contain the necessary equipment for communications, evidence processing, conducting interviews, and crime scene investigations. It can also be used for special events and disaster management. The cost includes a cover to protect it from the elements. This cost is planned for 2019.

The second item is a property and evidence room, scheduled for no sooner than 2021. The City is required to keep some evidence for a very long time, and space for storage in the current property room is running low. The CIP would allow for a 10,000 square foot building, which would be adequate to meet the City's needs for about 20 years.

The last item is for a joint police/fire substation at Lakin Ranch, planned for 2021 to serve a growing portion of the city. Mr. Fitzhugh clarified that the money for the substation would come from development impact fees, so growth would be necessary for the project to be triggered. If the area grows quickly, the timeline could be accelerated.

Council Member Nielson inquired about the reason for delaying the new property room if the current one is already full. Chief Nannenga explained that the operations budget allocates funds towards a dedicated property room supervisor who will be able to evaluate the collection and dispose of items more quickly, thus saving room over the short term.

### **Parks, Recreation & Libraries**

Christina Underhill presented information on two CIP requests for the Parks, Recreation & Libraries Department. The Friendship Park enhancement project requires about \$5.2 million in total. Phase 2 is expected to use \$2.5 million of the CIP funds available. The design of Phase 2 has been completed and the IFB for construction is expected to be released next week. The award for construction and an overview of the project will be presented to City Council in June. Essentially, Phase 2 will add new ramadas, more parking, a splash pad, new restrooms, new soccer field fencing, and open green space for events. Completion is expected by January of 2016.

Festival Fields Phase 2 is budgeted at just over \$3 million and is scheduled to be completed between 2016 and 2019. The highlights of Phase 2 include erosion mitigation, enhancements of the softball and multi-use fields, and may include youth and high school baseball fields, skate park, additional parking, a play area, trailhead improvements and support facilities.

Future park developments will be implemented as a result of growth in the Lakin Ranch area. About \$8 million is the projected need for 2021 through 2025. Mr. Fitzhugh added that staff is re-evaluating the playground area in Friendship Park. Due to budget constraints, replacement of the equipment had been eliminated from the project. If money cannot be found to replace the entire playground, at least the oldest equipment might be done. Other parks are not being ignored. The department has an ongoing operational maintenance budget of about \$48,000 per year, and Council approved a \$150,000 supplemental last year. This year, staff requested an additional supplemental of \$102,000. That \$300,000 fund will go to enhance amenities at three other neighborhood parks next year. Additional expenditures are planned for enhancement projects at two other in 2016 and 2017.

Vice Mayor Karlin stressed the importance of maintaining neighborhood parks in addition to the two large parks. They are valuable amenities that did not receive the full funding they needed during the recession. Council Member Kilgore commended staff for listening to the community and fixing up local parks. Council Member Sierra inquired about the status of the proposed riparian park in the recharge area near Festival Fields. Christina Underhill responded that it is part of the Lakin Ranch development. Mr. Fitzhugh noted another proposal is to create an educational experience at the recharge basin on McDowell Road. Mayor Weise said the sports fields at Festival Fields are not in great condition. He requested information on the cost of upgrading them to tournament level quality.

Mayor Weise opened the public hearing. Parks, Recreation & Libraries Board Member Pat Dennis displayed a series of photos illustrating problems with the physical condition of the parks. She attributed this to either the budget cutbacks that occurred during the economic downturn or the City's maintenance contract. Avondale has spent millions of dollars to build the parks and they should not be left to deteriorate. She encouraged City Council to reevaluate the parks budget and maintenance, and to diversify the types of recreational programs on offer. Few programs are designed to attract older residents. Mayor Weise closed the public hearing.

### **Fire Department**

Assistant Chief Deadman reviewed three CIP requests for the Fire Department. In 2015, the department requests \$50,000 in funding for facility evaluation, design, and cost estimates for the remodeling of Fire Station 172. For 2016, the department requests \$400,000 for updates to that station. The project would include the conversion of existing sleeping areas to single person bunkrooms, create an office for the Fire Captain and update kitchen cabinets. The goal is to have the remodel take place all at once, while leaving the station operational.

The second request is for the fire portion of the proposed public safety building at Lakin Ranch, which would require \$4.7 million. The project relies on future development in the area. A single fire engine would be purchased one year in advance of the station opening. The last CIP request was for the Glendale Fire Academy.

Pat Dennis, resident, addressed the Council and expressed her concern for the lack of maintenance of the parks, specifically Friendship Park and Festival Fields. She also encouraged the Council for increasing programming at the parks for adults.

### **One-time Projects**

Mr. Janover reviewed one-time projects for FY2015/16. Phase 2 of the Avondale sign management system is funded 100% by the Highway Safety Improvement Program. Phase 1 was to collect data on all traffic signs in the city and is in the bidding stage now. Phase 2, and subsequent Phases 3 and 4, are intended to upgrade the signs to meet MUTCB requirements. The first priority will be to address regulatory signs, followed by warning signs, and ultimately street name signage. The goal is to replace as many signs as possible. The total project cost for all phases is about \$750,000.

No City funds are required for Avondale's Strategic Transportation Safety Plan, as it is 100% grant funded. The project will be administered by Maricopa Association of Governments (MAG). It will study crash patterns that can be addressed by engineering, enforcement, education, and emergency response. Pedestrian countdown signals and accessible pedestrian signals are two projects combined into one by MAG. They will be ready for installation next year. The Dysart Bike and Pedestrian Facility Phase 1 is currently under construction. Phase 2 is slated to be bid out in June with a construction start of October. The original estimate for both phases was \$3.9 million, and funds were appropriated in October of 2013. Staff requests an additional \$4 million to cover the upfront costs. The City expects to get a reimbursement of some revenue once the project is completed.

Mr. Janover said the I-10 Underpass Trail is designed to connect two trail systems, the existing Friendship Park Trail, and the planned Coldwater Depot funded trail. The connector trail is partially funded by a federal grant of \$1.265 million. ADOT's design consultant is asking for an additional \$60,000 to cover design expenses in connection with a required permit for wetlands in the ADOT drainage channel which was not anticipated at the start of the project. ADOT is also requiring \$30,000 for their design review fee, which was also unanticipated.

The final one-time request is for \$100,000 to implement Phase 2 of the wayfinding sign program. This will pay for additional signs throughout the city in accordance with the master plan.

Council Member Nielson inquired whether the City continues to paint street signs in house. Mr. Fitzhugh responded that the City does make some signs when possible, but others are purchased off the commercial market. In response to an inquiry from Council Member Iwanski, Mr. Janover explained that any project that the City engages in in the public rights-of-way must be upgraded to current ADA requirements.

Mayor Weise inquired about the unanticipated issues that emerged on the Dysart Road project. Jim Batowich (phonetic) said he anticipates that the problems found so far during the trenching at the south end will likely extend along the full length of the project. The problems have definitely affected the schedule, but he hopes that as the contractor becomes more familiar with them, progress will be made. It is somewhat typical in older parts of the city to encounter undocumented utilities like this. Council Member Nielson inquired whether the old utilities are removed so they do not cause problems in the future. Mr. Batowich responded that it would depend on the utility. Some are noted and capped; some are removed or abandoned.

### **Water and Sewer Fund**

Public Works Director Cindy Blackmore requested ongoing funding to help pay for projects that were not anticipated at the beginning of the year. In the current year, this fund is paying for design of the Washington Street sewer line, and next year's budget will pay for its construction. The Central Avenue sewer project is finished. The McDowell Road sewer line replacement will be dependent on development. The Water Reclamation Facility Master Plan is also complete. The facility upgrades will occur over the next few years. The design will require \$2.3 million, and construction will start the following year, costing \$9.6 million. Phase 2 expansion, a projected \$45 million project, is scheduled between 2021 and 2025, but is dependent on growth. There is currently no redundancy in the line that runs off the 10<sup>th</sup> Street Lift Station, so a backup is needed to provide reliability in the sewer system there.

Ms. Blackmore said Avondale has about \$300,000 budgeted to take care of water-related problems that can emerge during the course of a year. Wellhead treatment at the Gateway facility was planned for the beginning of this year, but a pilot study is currently looking at ways to decrease the cost of disposing of nitrates, so this project will be pushed back until next year. The Central Avenue water line is substantially completed. The Northsight Booster Station upgrade will be substantially complete by the end of the fiscal year.

Ms. Blackmore reported that Rio Vista improvements are intended to bring that subdivision's water lines up to current City standards, which will improve water flows and make them much easier to maintain without having to access private property. The White Mountain Apache Tribe lease will make about 882 acre feet of water rights available to Avondale to supplement the assured water supply. A request for \$1.2 million would be used to complete other projects up to City standards. The City is looking at ways to increase water pressure in the northeast part of Avondale without affecting pressures further south, and \$600,000 is allocated to construct the recommendations that come out of that study. The 127<sup>th</sup> Avenue water line is in design phase, and the requested allocation is to construct that project. The 99<sup>th</sup> Avenue water line is based on development. Similarly, as development occurs, the City will have to add treatment and booster capacity. Projects will be prioritized according to the needs of the system.

Council Member Nielson inquired about the requested allocation for the design of the treatment plant expansion. Mr. Fitzhugh explained that the intent is to have more detailed design work on a number of expansions, and that the first year money could also include construction of some improvements. Typically engineering design services cost between

10% and 15% of the total cost of construction. Bringing in an outside firm to oversee the project could cost an additional 10%. Ms. Blackmore added that any money left over from the design phase would be applied to construction. Council Member Iwanski explained that the disposal of brine makes the water treatment process expensive in Arizona. The process can cost three to four times what ordinary treatment costs. He commended staff for trying to find a solution to this problem, and noted that new technologies may provide a more cost-effective way to accomplish this in the future. Ms. Blackmore said Avondale currently pays to have the brine hauled to a landfill, which is expensive.

### **Equipment Replacement**

Abbe Yacoben said each department has vehicles and equipment that need to be replaced according to set schedules, and money is set aside each year towards this fund to avoid a large lump sum payment. Mayor Weise noted that during the economic downturn, Avondale extended the replacement life of some vehicles. He inquired about the downside of continuing to do so as a cost-saving measure. Ms. Yacoben explained that based on her experience, useful equipment life is an estimate. Some should be replaced earlier, while others have a longer than expected useful life. Long-lasting vehicles may still sit on the books, but they would depreciate to zero and the City would continue to use them. Staff makes a reasonable estimate on all vehicles to determine the point where the cost to keep them functional is higher than the replacement cost.

### **Property Tax Impacts**

Ms. Yacoben said Avondale has a primary and a secondary property tax levy. The primary levy impacts the General Fund, and is \$2.5 million. State law limits the primary levy to the value of what is new in the city, plus 2%. Any amount above what was levied in the prior year triggers a Truth in Taxation hearing. The secondary property tax levy is not limited, but must be used to pay off debt. The voters approve the issuance of debt and levy taxes to pay the general obligation bond.

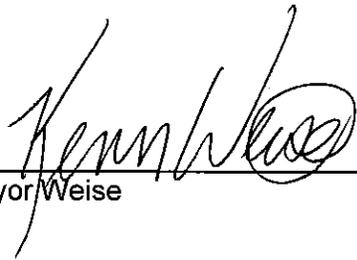
Ms. Yacoben said staff recommends keeping the tax rate at \$1.75. The primary levy will rise by the allowable 2%, while the secondary levy will go down. The total property tax levy will decrease by \$60,000, but a Truth in Taxation hearing will still be triggered because it is based on the primary levy. Every home will be impacted differently depending on starting values and the changes in value based on County Assessor decisions.

Mayor Weise noted that Avondale's general obligation debt service has dropped \$1 million over two fiscal years, thus leaving more money available for other City purposes.

## **9 ADJOURNMENT**

There being no further business before the Council, Council Member Nielson moved to adjourn the meeting; Council Member Kilgore seconded the motion. All ayes.

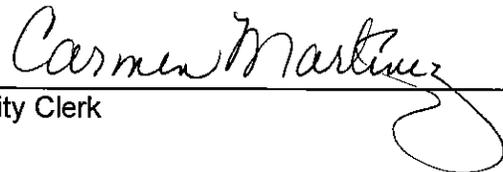
Meeting was adjourned at 8:22 p.m.

  
\_\_\_\_\_  
Mayor Weise

  
\_\_\_\_\_  
Carmen Martinez, CMC  
City Clerk

CERTIFICATION

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 20th day of April, 2015. I further certify that the meeting was duly called and held and that the quorum was present.

  
\_\_\_\_\_  
City Clerk