

Minutes of the Work Session held October 3, 2016 at 6:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Kenn Weise and Council Members

Stephanie Karlin, Vice Mayor
Bryan Kilgore
Jim McDonald
Sandi Nielson
Lorenzo Sierra

ABSENCE EXCUSED

David Iwanski

ALSO PRESENT

David Fitzhugh, City Manager
Gina Montes, Assistant City Manager
Kevin Artz, Assistant City Manager
Paul Lopez, Development & Engineering Services
Carmen Martinez, City Clerk
Andrew McGuire, City Attorney

1 ROLL CALL BY THE CITY CLERK

2 CO-LOCATION OF WIRELESS MICRO-ROUTERS ON CITY INFRASTRUCTURE

Paul Lopez, Development & Engineering Services, reported on a proposal to co-locate wireless mini/micro routers on City infrastructure, particularly streetlights. Avondale has about 7,900 streetlights citywide, and they are in the process of being converted to an LED system. The conversion project will hopefully provide a return on investment in seven years, and will reduce the City's electric bill. Verizon, Sprint, and AT&T have presented Avondale with the opportunity of co-locating wireless equipment on the new streetlights. In the past the City has opted not to entertain the idea, as the wireless arrays used before were quite bulky and aesthetically unappealing. Recent advances in technology have allowed the equipment to become much smaller and more discreet. Phoenix, Mesa, Scottsdale, Glendale and Chandler are some of the local cities that have mounted these routers on their streetlights.

Mr. Lopez explained that the plan calls for third party providers to install the infrastructure and lease their space to the wireless companies. The new infrastructure would shrink gaps in the network, and provide more efficient wireless data transfer. It would help economic development and spur opportunities for tech companies that rely on data transfer. Revenue would be generated to help offset the O&M costs on streetlights, estimated at \$117 per light per year.

Mr. Lopez noted that House Bills 2497 and 2486 were introduced last session, with the intent of reducing the ability of cities to collect revenue streams or lease fees from co-locating. However, the State of Arizona's Competitive Neutrality legislation gives all cities the ability to charge lease fees on co-locations. The house bills do allow cities to co-locate micro routers on existing overhead utilities, though these arrangements are less aesthetically appealing.

Mr. Lopez said that if this opportunity is pursued, an indemnity clause would have to be created that releases the City from liability if the equipment is damaged, or if it falls and

injures someone. The City would maintain the first right of refusal on these locations, in the event that the equipment interferes with City transmissions. Currently, Avondale uses unlicensed frequencies to transfer data between City sites. Wireless providers would have FCC licensed frequencies assigned just to them to reduce the chances of interference. Backup equipment will be kept on hand to ensure that damaged equipment can be replaced as quickly as possible.

Mr. Lopez explained that most Valley cities have seen no reason to limit the number of providers at this time. Staff would monitor the situation to verify whether it would make sense at any point to limit them. The anticipated life cycle for equipment is ten years, and license terms will be aligned accordingly. SRP offers the option of tapping into the existing power being sent to the lights as an alternative to using ground-mounted equipment. APS can only accommodate ground-mounted equipment.

Mr. Lopez explained that based on revenue being generated by other cities; Avondale could expect to have about 22 separate locations with a fee of about \$3,400 each, generating about \$74,000 in the first year. That money would be used to offset operations and maintenance.

Vice Mayor Karlin said this is a good idea that would improve coverage while generating revenue for the City to offset costs. She inquired about the amount of space required for the ground-mounted equipment. Mr. Lopez explained that the footprint of the enclosures is about 50 square feet each.

Council Member McDonald said he is very much in favor of moving forward with this. He inquired about the coverage. Mr. Lopez responded that the micro routers are designed to fill in network gaps where signals are blocked, and would bridge problem areas where signal weakness exists. Council Member McDonald noted that the extra revenue would recover only about 8 percent of the O&M cost of the lights. He pointed out that the State of Arizona has had a long history of changing rules if they feel their original rules are not working as intended. He inquired whether the contract could be written in a way that would protect Avondale in the event such a rule change is legislated. Andre McGuire, City Attorney, responded that any cleverness used in drafting a contract could be undone at the behest of the legislature. Council Member McDonald asked whether Avondale could offer a flat rate instead. Mr. Lopez said the City has no way of knowing what electricity usage would be like over the course of a year, plus the usage will change once the lights are converted to LEDs.

Council Member McDonald queried whether the conversion to LEDs would impact this program. He did not want to see light poles replaced many years before their life expectancy is done. If the City replaces poles with routers on them, the wireless companies need to quickly remount them. Mr. Lopez responded that a license agreement would have to be created to coordinate those details. Ideally, the City will be able to replace the lights before the routers are installed.

Council Member Sierra said he is in favor of this proposal. He inquired about the level of traffic disruption this project would cause. Mr. Lopez responded that staff has not detailed the process of installing the streetlights yet. Much of the work will be done in Garden Lakes, which has wide streets, and little to no congestion is expected. Council Member Sierra

asked about the possibility of integrating surveillance cameras into the project, for those HOAs that might want to have them. Mr. Lopez said staff could look into the matter, but privacy concerns would have to be factored into the discussion. David Fitzhugh, City Manager, suggested that this matter would have to be addressed in a separate discussion to allow everyone who might be subject to surveillance an opportunity to comment before a license is issued.

Council Member Sierra asked whether this project would enable CenturyLink to offer their product in Avondale. Mr. McGuire clarified that Avondale's City Council did approve a license agreement with CenturyLink, but they have not executed it. Mayor Weise noted that CenturyLink did not want to service Historic Avondale because of the infrastructure cost.

Council Member Kilgore said this project would take advantage of previously untapped real estate opportunities and he supports it. It would also improve coverage in Avondale. Council Member Nielson said she supports it. Appropriate equipment should be kept in storage to allow for speedy repairs when necessary.

Mayor Weise stated that this proposal makes sense, and staff has taken the steps to ensure that it will be done right. The disruption will be light and the benefits considerable. This project could be a test bed for the eventual implementation of community-wide Wi-Fi.

3 NEIGHBORHOOD AND FAMILY SERVICES DEPARTMENT UPDATE

Stephanie Small, Neighborhood and Family Services, provided an update on department activities. This is the ten-year anniversary of the department. In 2006, it primarily consisted of Code Enforcement, Housing, and Social Services. It has grown to include five divisions, with the addition of Youth and Community Engagement and Revitalization. The department works to meet the needs of a growing community. Currently 26 full-time employees serve about 100,000 people out of two facilities.

Ms. Small said the administrative staff provides a strong foundation for the department's activities. Sixty percent of the budget comes from public/private partnerships or grants. The remainder comes from the General Fund. A portion of the funding comes in the form of support for the housing programs through the federal department of Housing and Urban Development or Maricopa County.

Ms. Small explained that Youth and Community Engagement is a division that engages volunteers to help government meet the needs of the community. Sometimes other City departments will request volunteer help as well. Over 27 homes have been finished since 2007 through Make a Difference Day. The division also oversees the Kids at Hope initiative, which helps children achieve success. Staff oversees Project Connect, which will occur on November 3 this year. The Volunteer Management System was created to better administer volunteers and capture the full extent of resources available. This division is also responsible for the partnership with the Corporation for National and Community Service (CNCS), which helped create the National Civilian Community Corps, Summer Americorps, and Volunteers in Service to America programs. A new three-year contract agreement is currently being negotiated with CNCS. Last year, Avondale leveraged over \$32,000 in volunteer services. A neighborhood toolbox provides volunteers with the use of equipment

for cleanup efforts. The Next Step program introduces youth to the principles of public service.

Ms. Small said Code Enforcement frequently deals with people who might not have the resources to make necessary improvements to their homes. Also, many times people are unaware of violating the City Code. Education is a key component of the program, but when that does not work, enforcement becomes necessary.

In the Revitalization division, a micro business lending program has been successful; several businesses have paid off their loans and none have defaulted. A business improvement program has assisted over 15 businesses since 2001. Small business workshops improve business retention. In Historic Avondale, the Farmers Market helps provide fresh fruit and vegetables to what has been a food desert.

Ms. Small explained that Housing and Community Development primarily focuses on substantial or emergency home repairs. Over 126 emergency repairs and 66 substantial repairs have been done since 2008. The department collaborates with the Police Department when it comes to demolishing unsafe structures. Six homes have recently been built and are being prepared for sale.

Ms. Small said Family Services offers numerous service components: Early childhood development and financial assistance; senior services; information and referral services. Staff is very skilled and has a great deal of experience. The Resource Center has grown tremendously since 2010. Space is at a premium, and some services are being offered at other City facilities.

The Community Action Program is a key component of the division. Assistance can come in a variety of forms. People can get GEDs or high school diplomas, and the underemployed can get the skills necessary to qualify for better job opportunities. Job fairs enable people to be hired on the spot. Senior Services helped over 43,000 seniors last year. Over 31,000 meals were served. Volunteers traveled over 30,000 miles to deliver meals.

Ms. Small reported that 19 items are listed on the Strategic Plan this year. A non-profit will be created to pursue additional grant funds to create a robust acquisition/demolition program for vacant/abandoned properties. Wayfinding signs will help make Historic Avondale a more pedestrian-friendly environment. Seniors will work with youth, and both generations will provide benefits to each other. An intake and data management system will help the Resource Center cope with the volume of people accessing services there. Civic associations will be created in areas that have lacked HOAs. Code Enforcement will work to reduce the number of repeat violations. The department will continue to keep, maintain, and enhance partnerships with community organizations.

Council Member Nielson said Avondale has much to be proud of with this department. The Code Enforcement app is great. Council Member McDonald said the department really helps people who truly need a helping hand. Vice Mayor Karlin expressed pride in the wide range of services that the department makes available with such a limited staff. Avondale provides social services for surrounding communities as well. She noted that Avondale is envied at the National League of Cities conference for its ability to acquire grants and do

something meaningful with them. Economic development is not only about attracting large businesses to Avondale, it means helping small local businesses as well. Families who are struggling can get help so they are able to move on with their lives.

Council Member Sierra said he is amazed with the amount of work that the department gets done with the limited staff and resources available. The department should be a key component of City Council's strategic planning process next year. Council Member Kilgore expressed admiration for the department's ability to collaborate with other City departments. Avondale is lucky to have such a team. He would like to see all of the department's activities moved into one facility some day.

Mayor Weise said Care1st provides education on home loans and finances so that people can avoid the kinds of traps that they fell into during the recession. He inquired whether the City taps into the large pool of volunteers available through Avondale's faith-based community. Ms. Small responded that staff works with that community regularly. Many partnerships are in existence, but the Volunteer Management System will help match volunteer groups with the numerous opportunities available. Vice Mayor Karlin added that a variety of faiths have come together to create the first homeless program in the southwest Valley. Avondale's strength is the variety of people and groups who are willing to work together to make a difference.

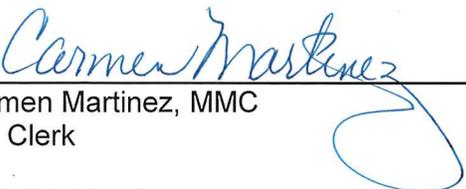
4 ADJOURNMENT

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

City Council meeting adjourned at 7:21 p.m.



Mayor Kenn Weise



Carmen Martinez, MMC
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 3rd day of October, 2016. 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 October 3, 2016 at 7:27 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Kenn Weise and Council Members

Stephanie Karlin, Vice Mayor
Bryan Kilgore
Jim McDonald
Sandi Nielson
Lorenzo Sierra

EXCUSED ABSENCE

Council Member Iwanski

ALSO PRESENT

David Fitzhugh, City Manager
Gina Montes, Assistant City Manager
Kevin Artz, Assistant City Manager
David Janover, City Engineer
Abbe Yacoben, Finance and Budget Director
Alicia Schomer, Customer Service Manager
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2 CITY MANAGER'S REPORT

a. INTRODUCTION OF NEW POLICE OFFICERS

Police Chief Dale Nannenga introduced seven new police officers:

Officer Jennifer Goodman
Officer Sean Doherty
Officer Ian Blazek
Officer Yusef Hassan
Officer Daniel Andrade
Officer Damian Guardiola
Officer Eric Lady

Council Member Nielson and Mayor Weise welcomed the new officers to the City of Avondale.

3 SCHEDULED PUBLIC APPEARANCES

a. DR. RUTH LIM - WEEK WITHOUT VIOLENCE

Dr. Ruth Lim gave a brief explanation of the program she has developed to advocate non-violence and promote a culture of peace. She invited Council Members to join in the annual event scheduled for October 15, 2016 at the Mesa Community College Performance Arts Center which will seek to create awareness and educate youth and families.

Council Member Sierra indicated Dr. Ruth is a champion for children and families and is proud to have her in Avondale tonight. He added that she is proof positive that anyone can be a warrior.

Mayor Weise presented Dr. Ruth with a proclamation proclaiming the week of October 9th to October 16th a Week Without Violence in Avondale.

4 UNSCHEDULED PUBLIC APPEARANCES

Maureen Wilson spoke as a resident of Garden Lakes. She indicated that for the past year neighborhoods north of the I-10 have seen an increase in property crimes.

Maureen Wilson indicated she is a resident of Garden Lakes but her concern applies to more subdivisions north of the freeway. She indicated there has been an increase of property crimes in the last few years. She has spoken to Chief Nannenga to address her concern and he has assigned two police officers to that beat. She stated she does not believe two officers are enough to patrol this large area.

Mayor Weise asked Chief Nannenga and the newly introduced police officers to meet with the speakers to get to know each other and brainstorm ideas to address Ms. Wilson's concerns.

Sandra Shadler indicated more police presence is needed in Garden Lakes as crime has increased substantially in the last few years. She would like officers to enforce the non-trespassing signs in the subdivision. Ms. Shadler added that speed enforcement on Garden Lakes Blvd. is also needed.

Vallie Dodge indicated she has seen an increase in activity at Kimberly Park and asked for anything the Police Department can do to increase presence.

5 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. SPECIAL EVENT LIQUOR LICENSE - BILLY MOORE DAYS

A special event liquor license application submitted by Ms. Christina Underhill on behalf of Friends of the Libraries and Recreation to be used in conjunction with the Billy Moore Days festivities scheduled for Friday, October 21 and Saturday, October 22, 2016 in Historic Avondale.

b. SPECIAL EVENT LIQUOR LICENSE - CATITUDES GALLERY SEASON OPENING

A special event liquor license application submitted by Ms. Bonnie Lewis to be used in conjunction with Catitudes Gallery's Season Opening Gala scheduled for Saturday, November 12, 2016 from 5 pm to 9 pm at the Gallery located at 404 E Western Avenue in Avondale.

c. LIQUOR LICENSE - SERIES 12 (RESTAURANT) - RESTAURANTE MARISCOS 7 MARES

An application for a Series 12 (Restaurant) liquor license application submitted by Mr. Francisco Rodriguez Garcia to be used at Restaurante Mariscos 7 Mares, a new restaurant to be located at 10730 W Lower Buckeye Road, Suite 108 in Avondale.

d. LIQUOR LICENSE ACQUISITION OF CONTROL - SERIES 12 (RESTAURANT) - SMASHBURGER #1393

A request to approve the acquisition of control of a Series 12 Restaurant license to sell all spirituous liquors at Smashburger located at 9915 West McDowell Road, Suite 101.

f. PROFESSIONAL SERVICES AGREEMENT WILSON ENGINEERS LLC – METER EVALUATION AND UPGRADE SERVICES

A Professional Services Agreement with Wilson Engineers LLC to complete a Meter Evaluation and Upgrade Services for \$23,870, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

g. COOPERATIVE PURCHASING AGREEMENT - CACTUS TRANSPORT, INC.

A Cooperative Purchasing Agreement with Cactus Transport, Inc. d/b/a Cactus Asphalt, to provide a variety of asphalt preservation materials and services for a maximum annual amount of \$600,000 and \$1,800,000 over the life of the contract, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

Council Member Nielson requested that item 5e be pulled from the consent agenda to be considered separately.

Council Member McDonald moved to approve the consent agenda as presented. Council Member Nielson seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

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

Motion carried 6-0.

e. AMENDMENT #1 TO CONSTRUCTION CONTRACT - ASI ARIZONA INC. FOR WAYFINDING SIGN PHASE II DESIGN AND INSTALLATION

A first amendment to the construction contract with ASI Arizona Inc. for the fabrication and installation of the second phase of Wayfinding Signs, to increase the contract amount by \$187,028.47, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

Council Member Nielson commented that she believes \$5,000 to remove the signs is excessive and questioned the appropriate use of the \$45,000 from NFS for this project.

Mayor Weise agreed with Council Member Nielson regarding the \$5,000 and added that the price the contractor has quoted for landscaping does not include irrigation for that landscaping. He indicated he would prefer to have some decorative rock installed to avoid having to have irrigation.

City Engineer David Janover indicated that he agrees some of the wayfinding signs are in need of landscaping and added that the plan is to have some desert landscape installed that would not require any additional irrigation once established. Regarding removal of the existing signs, he indicated the number was just an estimate and actual cost is expected to be a lot less based on the fact that the signs will be easy to remove and there are less than ten signs that need to be removed.

City Manager David Fitzhugh indicated staff will go ahead and use decorative rock around the signs and will seek the most inexpensive way to remove the signs and will be removed as soon as possible.

Regarding the \$45,000 from NFS, Mr. Fitzhugh indicated he would speak with Ms. Small regarding this matter because it is likely the money needs to be spent soon. He believes this is an appropriate project to spend the money on.

Council Member Nielson moved to approve the first amendment to construction contract ASI Arizona Inc. for wayfinding sign phase ii design and installation. Council Member McDonald seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

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

Motion carried 6-0.

6 2017 WATER AND WASTEWATER RATE INCREASES

Information regarding the rate analysis update for the water and wastewater enterprise funds.

Finance and Budget Director Abbe Yacoben updated the upcoming water and wastewater increases. She added this is something the council has reviewed previously during the budget workshops.

She indicated the operating components include operating costs as well as additional staffing to add productivity and preventative maintenance. The capital component includes new wells and system improvements. A similar scenario applies in Sewer regarding the operating costs. The capital component includes upgrades to the water reclamation facility for which bonds have been issued recently, as well as system improvements. Regarding performance of the water and wastewater funds, Mr. Yacoben indicated that there has not been a huge increase in the fund because the rates were just increased recently. She explained that the declining net position is due to the fact that the assets are depreciating faster than the city is saving for them or replacing them.

Regarding rate increases, Ms. Yacoben explained that during the recession the Council decided not to increase water rates, however there has been an increase over the last couple of years.

Mr. Yacoben explained the model indicating that revenue drives the rates, so the rates are based both on actual use and capital and operating costs. While the model can fluctuate, it assumes a 2.4% growth per year. Per Council's direction last year, the model includes an increase in water of 6% increase each year until FY21 and a 2% increase in FY22. The sewer fund includes a 6% increase every year until FY22.

Customer Service Manager, Alicia Schomer reviewed the impact of the new rates on customers and explained that an average customer who uses 9,000 units of water and has a 6,000 units of winter sewer usage will see an increase of a little bit over \$3.00 in their monthly bill. She presented a comparison of Avondale's rates with those of neighboring cities, which puts Avondale in the middle of cost to customers but pointed out that most cities have not announced their proposed increase so the city's position will likely change. Ms. Schomer indicated that the monthly bill calculator will be available on the city's website once again to help residents figure out their new bill.

Ms. Schomer indicated that along with the proposed increase staff will propose some updates to the Municipal Code to update responsibilities and clean up language. A new provision will allow customers to send claims via fax or email, which will make it more convenience to customers.

Regarding public outreach, Ms. Shomer indicated that several public meetings will be held which will include a daytime lunch-n-learn and one evening session. Flyers will be distributed during Resident Appreciation Night and social media will be used to inform residents.

Ms. Yacoben clarified that the new rates will go into effect on January 1, 2017 and clarified that the proposed increase only applies to water and sewer and does not include sanitation. A separate study will be conducted for that and will be brought to Council at a future meeting.

Council Member McDonald commented that there will be four years of negative outflow, which even when it is positive does not mean the city will have adequate reserve assets. Ms. Yacoben indicated she expects the cash reserves will be available, however the replacement schedule will need to be monitored so that assets may be replaced or improved. She added that the projected cash flow is adequate for now, however, future

conditions are unknown and it is hard to give a definitive answer for future conditions and demands.

In response to her question from Vice Mayor Karlin, Mr. Fitzhugh commented that the city receives less than one third of its water from CAP. Vice Mayor Karlin expressed concern over lessening amount of available water along with aging infrastructure. She indicated that even though the sewer fund analysis shows a reduction in the deficit over the next seven years, she wondered whether a 6% increase is enough. Mr. Fitzhugh indicated that the Council adopted a policy last year to start replenishing the reserve funds. Ms. Yacoben explained that the deficit is so high because it accounts for 5% restricted reserve that cannot be spent, so it does not mean that cash in the bank is negative but rather that there is an amount of money that cannot be touched.

Mayor Weise agreed that the numbers look scary, but understanding what they are is reassuring. He indicated he is pleased to see all of the public outreach events that are being planned.

7 EXECUTIVE SESSION

An executive session pursuant to Ariz. Rev. Stat. § 38-431.03 (A)(4) for discussion or consultation with the City's Attorney in order to consider its position and instruct the City's Attorney regarding (i) potential economic development agreement and (ii) Milledge v City of Avondale.

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

ROLL CALL VOTE AS FOLLOWS:

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

Motion carried 6-0.

8 ADJOURNMENT

There being no further business before the Council, Council Member Nielson moved to adjourn the meeting; Council Member Kilgore seconded the motion. Motion was passes unanimously.

The City Council regular meeting adjourned at 9:19 p.m.



Mayor Weise



Carmen Martinez, MMC
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 3rd day of October, 2016. I further certify that the meeting was duly called and held and that the quorum was present.



City Clerk

