

Minutes of the Work Session held October 17, 2016 at 6:01 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Kenn Weise and Council Members

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

ABSENCE EXCUSED

Sandi Nielson

ALSO PRESENT

David Fitzhugh, City Manager
Gina Montes, Assistant City Manager
Kevin Artz, Assistant City Manager
Jessica Blazina, Assistant Director/Intergovernmental Affairs
Kirk Haines, Parks, Recreation & Libraries
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1 ROLL CALL BY THE CITY CLERK

2 2016 FEDERAL LEGISLATIVE UPDATE

Jessica Blazina, Assistant Director - Intergovernmental Affairs, introduced Chris Giglio, of Capital Edge Consulting, who provided an update on Avondale's legislative priorities and a review of recently proposed federal policies. Capital Edge has been assisting the City of Avondale on matters related to the federal government since 2009.

Mr. Giglio said this has been another low productivity U.S. Congress. While FY17 officially began on October 1, Congress has not yet finalized the budget, so the government is operating under a continuing resolution until December 9. A lame duck session will try to complete the process, though threats of a shutdown are possible. One thing Congress did achieve last December was a five-year re-authorization of federal highway and transit programs. This will provide minor increases every year for both programs. The gasoline tax is not enough to meet authorized funding levels, but Congress found a short-term solution to cover the difference. A long-term solution will have to be found. The legislation also included a change in the way that highway funds are distributed, with a slightly larger portion now going directly to metro areas as opposed to states.

Mr. Giglio stated that Congress approved legislation to address the opioids crisis, totaling \$103 million. The program will address training, prevention, collaboration, and mental health. The Marketplace Fairness Act, which would let state and local governments collect sales taxes on out-of-state remote purchases, was passed in the Senate in 2013, but has yet to be passed by the House. Tax reform is under consideration and the elimination or paring back of tax exemptions for municipal bonds could be part of the conversation. The House and Senate will try to come to an agreement on the Water Resources Development Act, which will authorize flood control and navigation projects, while also providing some money for communities with drinking water contamination issues. Senator Flake has been working to exempt municipal water systems from some permitting processes.

Mr. Giglio covered local control issues. He reported that the Senate version of an aviation bill contained legislation that would prohibit all state and local regulation of drone use. The Senate also proposed punishing sanctuary cities by taking away their community development block grant (CDBG) money. The Obama administration is implementing new fair housing rules that would prevent concentrations of poverty and race. Mr. Giglio said there is a chance that the Senate could flip from Republican to Democrat control, while the House will likely remain Republican, though possibly with a smaller majority.

Council Member Iwanski noted that the American Waterworks Association has estimated \$1 trillion worth of water and sewer lines are needed nationwide. This is a non-partisan issue, and elected officials should understand the importance of infrastructure and tax exempt financing.

Mayor Weise inquired whether President Obama's fair housing rule changes would impact Avondale. Mr. Giglio responded said every few years, the City submits plans to HUD to explain how CDBG money will be used. The new rules will require that those plans specifically address the steps it takes to avoid concentrations of poverty and race. Failure to do so could result in CDBG money being withheld.

3 PARKS, RECREATION & LIBRARIES DEPARTMENT UPDATE

Kirk Haines, Parks, Recreation & Libraries, said the department works to connect with the community, creating diverse recreational and educational opportunities, and advocating for and supporting community-oriented lifelong learning opportunities.

Joel Evans provided an overview of the Facilities Division, which is responsible for providing 27 functional facilities to staff and the public, and to facilitate improvements to them. In addition to a three-person maintenance team, the division contracts with 43 vendors to provide a variety of support services including janitorial, security and pest control. Staff also supports the development and implementation of capital replacements and green initiatives. In the past year, staff has refurbished roofing systems, re-coated parking lots, built new office space, painted buildings, equipped facilities with card access, and installed LED lighting among other activities. Every purchase is evaluated to find the best quality-for-cost product with the greenest possible impact.

Mr. Evans said proactive maintenance maximizes the life of facilities. If problems are detected before they affect customers, costly rushed and reactionary repairs can be avoided and the life span of building systems can be extended. Eventually a detailed inventory of all facility systems will be created that will include quantified replacement costs and an intentional preventative maintenance program. This will provide the planning time necessary to implement projects of the highest caliber.

Ava Gutwein, Library Manager, invited members of the staff to discuss the many services that the library provides to the community. Alicia Daniels said Americorps/Vista works closely with the teens who volunteer at the library. Aside from cleaning, shelving, and organizing books, the teens are looking to give back in a meaningful way. Teens help

sustain the Friends of the Library non-profit through their fundraising efforts, and share their skills such as writing, photography, and event planning.

Jesse Caufield, Branch Manager of the Civic Center Library, said the library works with schools to provide outreach at school fairs, in-class library visits, and class visits to the two branches. In the spring, the Littleton Art Show features student art from all district schools. This school year, over 900 students received new library cards, and now have access to books, downloadable material, library databases, computers, and in-library wi-fi.

Marcia Gerig, Branch Manager of the Sam Garcia Library, reported that the two libraries schedule six programs per week to promote early literacy. Story times include age-appropriate books, action songs, finger plays, and crafts. Fun is emphasized, since play is an important way for young children to learn. Parents share books with the children, and children learn the routine of story time, which prepares them for school routines. Staff creates a positive, comfortable learning experience.

Denise Thurman, Librarian, said libraries are continually challenged with providing the most up to date and beneficial electronic resources for their communities. These resources provide students with tools with which to search for journal articles, databases, and career placement exams. They provide free online instructor led courses on professional and personal interests. Laura Truman, Librarian, explained that both libraries host weekly programming through interactive free classes in Science, Technology, Engineering, Art and Math (STEAM) to support curiosity and learning, and encourage teamwork and discovery. The goal is to foster a love of these subjects as STEAM-based careers are expanding, especially in underrepresented groups. In March of next year, the 4th Annual STEAM fest will provide opportunities for children and parents to interact with professionals in these fields. STEAM lending kits are available for children to borrow. Stephanie Van Atta, IT Systems Analyst, discussed ongoing efforts to improve library technology. Library self-checkout equipment is being updated and will allow for faster and easier use. As part of the city's new website coming up later this year, the library is redesigning its own website to make it brighter, cleaner and more modern, with better response from multiple devices.

Lisa Paulos, Recreation Coordinator, stated that the city's recreation programming allows citizens and visitors the opportunity to try new things, have fun, and be active in the community. Each quarter the RAVE provides a listing of about 30 leisure classes available for youth through adults. Sports leagues are conducted for soccer, softball, basketball, and kickball among other sports. Special events are held throughout the year, including KidsFest, Tres Rios Nature Festival, WinterFest movie nights and more. Billy Moore Days will return this coming weekend. The division is staffed with 15 to 20 part-time employees.

Christina Underhill, Assistant Director of Parks, Recreation and Libraries, said Avondale's parks are clean, green and safe. The City has 122.5 acres of parkland, and an additional 25 acres will be developed in the near future at Festival Fields. The department oversees 10 parks, Goodyear Farms Cemetery, and over six miles of trails and landscaping through Crystal Gardens. Over the summer, sports turf in Friendship and Donnie Hale Parks was refurbished. During the current fiscal year, renovations will be completed at three neighborhood parks, including a new restroom, new walking path lighting, picnic shelters and a new playground. To make parks more sustainable, recycling containers will be placed

at Friendship Park, and LED lighting will be installed where possible. The City works with Arizona Game and Fish on a community fishing program. The development of the Parks, Libraries and Open Space Master Plan is underway. A fee policy is also being developed.

Vice Mayor Karlin said she has noticed a big difference in the quality of programs and amenities provided to citizens. One of the first areas cut during the recession was Parks and Recreation programs and personnel. The future plans are exciting. She inquired about a recent teen fundraising event. Ms. Daniels explained that a group of teens wanted to find a way to help the library raise funds so that more programming can be offered. Teen Game Night was their first family-oriented fundraising effort. Vice Mayor Karlin suggested the Council is advised of upcoming similar events as they would like to show support.

Council Member Sierra suggested that natural synergies exist between Parks and Recreation and the Senior Center and Care1st and suggested collaboration efforts would be productive. He inquired about the timeline for finishing the new restroom at Donnie Hale Park. Mr. Haines responded that staff does work with other departments to collaborate in events and common goals. Regarding the restroom at Donnie Hale, he indicated that the goal is to start work by the end of the year with a finish date at the end of April. Council Member Sierra said most municipalities have much larger staffs doing an equivalent amount of work that Avondale does.

Council Member Kilgore said the educational and recreational opportunities offered by the department are extremely valuable to school children. He said 70 people showed up to the first Movie Night, and it was a great success.

Council Member Iwanski said he visits the main library one or two days every week. While there, he polls visitors on service levels, and without exception they think very highly of the library facility and staff. He inquired about youth programs at Coldwater Springs Golf Club. Ms. Underhill said Avondale used to offer golf lessons for youth at the Golf Club and the opportunity may be explored once again.

Mayor Weise explained that access to golf clubs is the biggest obstacle to introducing young people to the sport. Opportunities exist to have donated clubs supporting youth golf programs. He said many people have no idea what a big impact library card signups can have on young people as they become adults. He expressed amazement that a maintenance staff of three can do such a good job, and said their load should be lightened in the future as buildings continue to age. He felt the custodial company that Avondale contracts with is not doing quality work, and suggested that splitting the job between three different vendors in the future would get better results. This would also free up City staff to focus on more important things. Mr. Evans said the existing contract comes up in about a year, but will go out to bid before then.

4 ADJOURNMENT

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

City Council meeting adjourned at 7:08 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 17th day of October. 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 17 2016 at 7:16 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Kenn Weise and Council Members

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

ABSENT/EXCUSED

Sandi Nielson

ALSO PRESENT

David Fitzhugh, City Manager
Gina Montes, Assistant City Manager
Kevin Artz, Assistant City Manager
Abbe Yacoben, Finance and Budget Director
Alicia Schomer, Customer Services Supervisor
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 SCHEDULED PUBLIC APPEARANCES

a. MR. MICHAEL CRIPE, SR. GOVERNMENT RELATIONS SPECIALIST WITH COX COMMUNICATIONS

Mr. Cripe indicated that Cox has been a family owned company since it was established in 1898 by Governor Cox. The company is dedicated to volunteerism and during the current year Cox employees in the Phoenix Metro area have accumulated over 18,000 in volunteer hours. Mr. Cripe reviewed some of the programs Cox offers such as Connect2Compete which provide internet service at a reduced rate for families who qualify. He added that Cox service is now all digital and all subscribers are now required to have a mini box. This will make the service faster and more reliable.

Vice Mayor Karlin indicated she was pleased to hear about the Connect2Compete program as it not only helps children but allows parents to search for jobs, etc.

Council Member Sierra thanked Mr. Cripe for Cox's sponsorship of Billy Moore Days and for everything the company does in the community.

Mayor Weise questioned why new services and technology are first rolled out in the east valley. He indicated he believes new program and services implementation would be more successful were it be to be implemented in the west valley first. Mr. Cripe replied that the decision is a strategic one coming from Atlanta, but understands the point and agrees. Mayor Weise suggested that the West Valley Mayors group could meet with the appropriate Cox executives to make the request and present arguments.

Council Member Sierra made a special request to bring the Digital Advantage program to one of the schools in the west valley.

3 UNSCHEDULED PUBLIC APPEARANCES

Colleen Shorr, spoke on behalf of the Historic Avondale Merchants Association and invited Council Members to attend this year's VetFest scheduled on Saturday, October 29th. This is the second year for this event and expects it will be better than last year.

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. Regular Meeting of September 12, 2016
2. Work Session of September 19, 2016
3. Regular Meeting of September 19, 2016
4. Work Session of October 3, 2016
5. Regular Meeting of October 3, 2016

b. SPECIAL EVENT LIQUOR LICENSE - VET FEST

A request to approve a special event liquor license application submitted by Rosemary Hodge on behalf of the Historic Avondale Merchants Association for Vet Fest, scheduled from 10 am to 5:30 pm on Saturday, October 29, 2016 to be held in Historic Avondale. The beer garden will be located in a vacant lot just east of Zamora's Restaurant.

c. LIQUOR LICENSE ACQUISITION OF CONTROL - SERIES 10 (BEER AND WINE STORE) - QUIKTRIP #1424 AND 423

A request for approval of two applications for acquisition of control submitted by Mr. Troy Devos to sell beer and wine at QuikTrip locations #1424 located at 150 N Avondale Blvd. and #423 located at 13067 W Thomas Road in Avondale due to changes in the corporate structure of QuikTrip Corporation.

d. PROFESSIONAL SERVICES AGREEMENT CLEAR CREEK ASSOCIATES

A request to enter into a Professional Services Agreement with Clear Creek Associates to locate, design and oversee installation of Well No. 27 for \$120,244, and authorize the Mayor or City Manager and City Clerk to execute the contract documents.

e. CONSTRUCTION CONTRACT AWARD - RILEY INDUSTRIAL SERVICES INC. - RANCHO SANTA FE TANK REHABILITATION

A request to approve a Construction Contract with Riley Industrial Services Inc. for the Rancho Santa Fe Tank Rehabilitation in the amount of \$608,380 and authorize the Mayor or City Manager and City Clerk to execute the contract documents.

f. COOPERATIVE PURCHASING AGREEMENT - JAMES, COOKE & HOBSON, INC.

A Cooperative Purchasing Agreement with James, Cooke & Hobson, Inc., for submersible pump-motor units repair and replacement, in an annual amount not to exceed \$150,000, with the option of four annual one-year renewals, for a maximum total

aggregate amount of \$750,000 and to authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

g. SECOND AMENDMENT TO COOPERATIVE PURCHASING AGREEMENT – UTILITY CONSTRUCTION COMPANY, INC.

A request to approve the Second Amendment to the Cooperative Purchasing Agreement with Utility Construction Company in the amount of \$75,000 for the ongoing removal and replacement of damaged and deteriorating streetlight poles and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

h. RESOLUTION 3341-1016 - CITY COUNCIL HANDBOOK

A resolution adopting the City Council Handbook which is meant to serve as a guide and resource for Council Members and staff.

i. RESOLUTION 3342-1016 - STRATEGIC TRANSPORTATION SAFETY PLAN (STSP)

A resolution approving the Strategic Transportation Safety Plan (STSP).

Council Member Kilgore moved to approve the consent agenda as presented including Resolutions 3341-1016 and 3342-1016. Council Member Sierra seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

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

Motion carried 6-0

5 FY 2016 ANNUAL FINANCIAL UPDATE

An update on the City's main operating funds' performance through June 30th, 2016.

Abbe Yacoben, Finance and Budget Director indicated she would be providing the Council with a pre-audit financial update for FY 2016 that will be useful as a preliminary benchmarking tool for the next fiscal year. Ms. Yacoben explained that the city uses Fund Accounting, which is different from private sector accounting as separate funds, each with its own revenue, expenditures, liabilities, etc. related to a specific purpose or legal requirements, are set up and reported separately.

The city's General Fund is the city's largest fund and accounts for funds that cannot be accounted for in any other funds. Mr. Yacoben explained that for FY 16, the revenue side of this fund appears to have a surplus of about \$1.8 million, while the expenditure side shows that expenditures were about \$8 million under budget. She reiterated that these numbers are unaudited numbers and explained that the reason for the surplus on the revenue side is partly due to the fact that sales tax revenue was about 6.35% above projections. A contingency fund of about \$3 million along with \$1 million in unspent economic incentive reserves explain partly the \$8 million difference in the expenditure side of the fund. Ms.

Yacoben explained that at the end of the fiscal year, the city must note what its position will be the following year by assigning the fund balance to the next year's budget, so \$4 million were assigned to FY17. The historic performance of the fund demonstrates the city's conservative budgeting practices and the fact that departments strive to be frugal and often underspend their budgets. She pointed out the city also has a \$3 million contingency.

Regarding the Highway User Revenue Fund (HURF), Ms. Yacoben explained that this is a special revenue fund distributed to cities based on gasoline sales and population and can only be spent on highways and streets. This fund has a contribution to fund balance of about \$1 million which is good as it is likely that the FY17 will have about \$88,000 in structural deficit due to the fact that the city will issue debt towards the LED streetlight conversion project and the first service payment will be due before all of the savings are realized.

A dedicated ½ cent sales tax was approved by voters in 2001 and can only be spent on water, sewer and street projects; transportation was added in 2008. She explained that because moneys in this fund are transferred out to make debt service payments, there is no variance on this fund. The Public Safety Sales Tax Fund was approved by voters in 2003 and is also a ½ cent sales tax that goes towards increased public safety services. Ms. Yacoben explained that this fund had a budget surplus in FY16 which is a good thing because seven new police officer positions were added to the FY17 budget, so the budget is going to be able to absorb these costs.

Ms. Yacoben explained that Water Fund revenue was lower than budgeted by about \$6 million due to lower than anticipated development fee revenue and a \$4 million bond issue which was delayed. The expense side was also under budget as some of the projects have not been completed and the funds have been carried over to the next fiscal year. She explained that the Sewer Fund revenue was below budget by about \$9 million due to the bond being issued in September; the expense side is also under budget due to some projects not being yet completed so funds are being carried over. The Sanitation Fund has a cash position of about \$1.6 million.

Ms. Yacoben concluded her presentation by saying that the policies the council has adopted impact how staff prepares the budget. She indicated that the contingency policy allows staff to set a contingency level for each fund that is based on volatility of revenue and the size of the fund. Capital Planning allows staff to prepare a ten-year capital improvement plan so that staff can determine the city's cash flow needs and make recommendations regarding the issuance of debt. The Stability Fund Policy requires that the General Fund set 35% of prior year's expenditures be set as a reserve.

In response to a questions from Mayor Weise that sales tax revenue for FY17 is expected to be around 4%, which is a conservative number due to an anticipated slow-down in the economy. Mr. Fitzhugh explained that some of the unassigned fund balance is used to build the Capital Improvement Program. He explained that the numbers are not much different from what the Council has seen in the last few years.

Council Member McDonald asked if the surplus in the HURF fund is being carried over to future years to help fund a bigger project. Ms. Yacoben replied that these funds have many restrictions are staff is very conservative when using them, she added that at this time there is no project being planned for those funds.

6 RESOLUTION 3340-1016 - NOTICE OF INTENT TO INCREASE WATER AND WASTEWATER RATES

A resolution adopting a notice of intent to increase water and wastewater user charges or rate components.

Ms. Abbe Yacoben indicated this is the same presentation as was provided to Council on October 3rd.

She indicated the operating components include operating costs as well as additional staffing to add productivity, efficiency and preventative maintenance. The capital component includes new wells and system improvements. A similar scenario applies in Sewer regarding the operating costs which also includes additional staffing. The capital component includes upgrades to the water reclamation facility, lift station rehabilitation and other system improvements. Regarding performance of the water and wastewater funds, Mr. Yacoben indicated that the fund is losing net position due to the fact that the assets are depreciating faster than the city is saving for them or replacing them. She added that this is normal due to the age of the system. The new rates were only increased recently so the revenue increases are modest.

Regarding rate increases, Ms. Yacoben explained that while the Council decided not to approve a rate increase for the past several years in an effort to lessen the burden the recession had on residents, 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. The model ensures compliance with the city's reserve policy up to 2023.

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 but pointed out that most cities have not announced their proposed increase so the city's position will likely change. The rates encourage water conservation as the rates increase with increased water use. 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 convenient to customers.

Ms. Schomer indicated that several public meetings are being planned including 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. Tonight's recommendation is for adoption of the Notice of Intent of rate increase.

Vice Mayor Karlin suggested that another opportunity to inform residents about the increase would be to participate in the HOA summits. She added that HOA's will also face increase costs due to irrigation of their green areas. Ms. Shomer indicated staff has not reached out the HOA, but said they could notify them of the upcoming public meetings.

Council Member Kilgore moved to adopt Resolution 3340-1016 adopting a Notice of Intent to increase water and wastewater rates. Council Member Sierra seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

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

Motion carried 6-0

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 a potential development agreement.

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

ROLL CALL VOTE AS FOLLOWS:

Council Member McDonald	Aye
Council Member Iwanski	Aye
Council Member Nielson	Excused
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, Mayor Weise moved to adjourn the meeting; Council Member Kilgore seconded the motion.

The meeting adjourned at 8:32 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 Regular Meeting of the Council of the City of Avondale held on the 17th day of October. I further certify that the meeting was duly called and held and that the quorum was present.



City Clerk