



CITY OF SURPRISE
Regular City Council Work Session
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, February 16, 2021 @ 4:00PM

Call To Order

Roll Call

Mayor Hall called to order the Regular Work Session of Tuesday, February 16, 2021 at 4:00 p.m. at the Surprise City Hall Council Chambers located at 16000 N. Civic Center Drive, Surprise, Arizona 85374. Also in attendance with Mayor Hall were Vice-Mayor, Patrick Duffy and Councilmembers Hastings, Remley, Judd, Winters and Cline.

Staff Present: City Manager, Michael Frazier, City Attorney, Robert Wingo and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

City Manager Report

No report given.

City Clerk Report

No report given.

Call To The Public

None

Regular City Council Work Session Agenda

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

1. Presentation and discussion regarding the City's Water Resource Master Plan update - NO ACTION

Michael Boule, Assistant Director, Water Utilities gave a powerpoint presentation regarding the City's Water Resource Master Plan update.

Topics included:

Planning Framework

2035 Focus - Water Service Areas
10 year population projection comparison
Water Demand Projections through 2035
2020 Water Demand Metrics
What's Next timeline

Council Questions/Comments:

Mayor Hall asked for a percentage of the City that has irrigation.

Mr. Boule commented approximately 48%.

2. Presentation and discussion pertaining to the status of the Solid Waste Drop off recycling program - NO ACTION

Gladys Nkeze and Bobby Parks, Public Works Department gave a powerpoint presentation pertaining to the status of the Solid Waste Drop off recycling program.

Topics Included:

Current locations

Outreach efforts

How many cars per day visit the facility

Mayor Hall asked if staff separates recyclables or the resident?

Bobby Parks commented that staff separates it, then place in the proper bins.

Councilmember Hastings commented that he has stopped by the site staff is very knowledgeable. Clarify, drop off recycling is actually being recycled, correct?

Bobby Parks commented that yes that is correct drop offs only at this time. We are working with a company that has identified what materials they are interested into recycle. It is more feasible to have materials dropped off at this site rather than delivered to the recycling facilities for the time being.

Councilmember Hastings commented that the current operating hours are not convenient for a lot of residents, would love to see 8 a.m. to 3 p.m. if possible to accommodate more residents and to find ways to improve outreach efforts. Do you know why these hours were chosen? What type of advertisement are we doing for this? Mr. Parks commented that we looked at options for this service without having to add costs for staff, operations, etc.

Councilmember Winters commented that he assumes we are still losing money, what are we looking at?

Bobby Parks yes correct, right now we have spent over \$20,000.in 7 months and collected \$300.00 to date.

Councilmember Cline commented that maybe the break in time is for the staff person to have lunch that is mandated. To improve on hours, we would need to add more employees which would increase the costs to the City. Also, we as Council can also share the information through social media to inform our residents.

Mr. Parks commented correct, if we increased the amounts, then the cost of operations will increase.

Councilmember Hastings asked for clarification on the \$20,000. Where does this amount come from?

Bobby Parks commented staff hours, fuel and vehicle costs to transport the recycling to the facility.

Councilmember Hastings thanked staff for their efforts and presentation.

Mayor Hall asked what would this person be doing when doing if they weren't doing the recycling?

Bobby Parks commented that there are many duties including Inspecting vehicles, and repairing containers, trips to the recycling plant, etc.

Mayor Hall suggested maybe a sandwich sign on the main road outside of the facility to draw attention.

Vice-Mayor Duffy assumed that the most popular recycling is cardboard, what do we need to do to prepare it for drop off, are there stipulations?

Bobby Parks commented yes, there are guidelines for cardboard, such as clean, no tape, etc.

3. Presentation and discussion pertaining to City revenue sources - NO ACTION

Andrea Davis, Finance Director and Holly Osborn, Assistant Finance Director gave a powerpoint presentation pertaining to City revenue sources.

Topics included:

- FY21 Citywide Revenues
- Sales Tax/Transaction Privilege Tax (TPT)
- Intergovernmental - Federal, State, and other governmental sources
- Property Tax Rate Comparison Graph
- Property Taxes/Secondary Property Tax
- Public Notices/language
- Charges for Services
- Franchise Fees/Licenses
- Transfers
- Grants
- One Time vs. Ongoing Revenues
- Upcoming Calendar

Council Questions/Comments:

Councilmember Cline asked for clarification on shared taxes that come from the State, how far behind is the physical year is the receipt to the City? When would the City receive their share of this?

Andrea Davis commented that it is two years behind so this is predictable.

Holly Osborne further commented that there is current legislation going through the Governor's Office that is proposing to reduce the income tax all around if this goes through the City could lose approximately 2.2 million dollars and will progressively lose more over time if this is approved.

Councilmember Cline also question the impact of Prop. 208 and asked for clarification.

Councilmember Remley commented on property taxes and amounts we are charging our residents. We need to clarify these amounts clearer clarification for our residents. He also questioned State Shared Revenues, how are they calculated?

Andrea Davis referred to the slide in the presentation on Property Tax Distribution Sample as a clear guideline for public outreach.

Councilmember Hastings commented that it is good to see Surprise has the lowest in property taxes. He asked how many years since we raised property taxes?

Andrea Davis commented at least 10 years.

Councilmember Hastings asked have we considered lowering our property taxes as the valuation goes up?

Andrea Davis gave an explanation in detail.

Councilmember Remley asked when you receive your statement from the County Assessor, it talks about the statement for the coming year, it mentions the limitation, we are tapped at 4%, the most they can increase the property value in any given year. Every year when we have increases, we actually get further behind.

Mayor Hall commented on the IIP document, residential comes first, commercial lags, that's the way it is. In our case, the number was 72 cents per dollar on the revenue side.

Councilmember Hastings agreed that residential does come first, and when the City Center sells out those nice restaurants will come in time. What are the biggest items that require revenue? When we build the police and fire stations, are we able to keep up with those costs?

Andrea Davis gave the explanation about services we are required to provide to our residents.

4. Presentation and discussion pertaining to credit card payment processing fees - NO ACTION

[Andrea Davis, Finance Director gave a powerpoint presentation pertaining to credit card payment processing fees.](#)

[Topics included:](#)

[Processing Fees - Recovery costs charges by the bank/processor](#)
[Next Steps moving forward - post online for 60 days](#)
[Council action](#)

Councilmember Cline asked for clarification on how charges are calculated, and will we make sure we cover our costs incurred?

Councilmember Remley commented on the City accepting credit cards, it speeds up the issuance of permits. The other thing is the 2.8% is higher than the 2%, but we have to pay an online processor to manage the payment portal.

Councilmember Judd commented that will take a few months to get a hold of the situation, anything we can do in the meantime?

Ms. Davis commented what the next steps of the process will be including posting requirements and Council adoption.

Councilmember Hastings what do you say to the residents that say the City is adding on another fee? What do we say to this?

Andrea Davis commented that the process is currently transaction based, for those who choose to use a credit card option. It is a charge for service fee. This will be clear in the disclosure requirements in the public notices.

Executive Session

Adjournment

Councilmember Winters made the motion to adjourn the Regular Council Work Session of Tuesday, February 16, 2021 at 5:29 p.m. Councilmember Hastings seconded the motion to adjourn. 7 yes votes, motion carried to adjourn.

Skip Hall, Mayor

ATTEST:

Sherry Ann Aguilar, City Clerk, MMC

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Work Session of **Tuesday, February 16, 2021.**

Sherry Ann Aguilar, City Clerk, MMC