



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

Tuesday, September 17, 2019 @ 4:00PM

Call To Order

Roll Call

Mayor Hall called to order the Regular City Council Work Session of September 17, 2019 at 4:00 PM at Surprise City Hall Council Chambers, 16000 N Civic Center Plaza, Surprise, Arizona 85374. Also in attendance with Mayor Hall were Vice Mayor Winters, Council Members; Duffy, Hayden, Judd, Sanders and Remley.

Staff Present: City Manager, Michael Frazier; City Attorney, Robert Wingo and Deputy City Clerk, Linda Stevens

Pledge of Allegiance

1. Presentation and discussion pertaining to the Surprise Youth Services program update for FY 20 - NO ACTION

Mike Cassidy of Human Services and Community Vitality gave a Summer youth program overview.

*Entrepreneurship Boot Camp

*Surprise Youth Council

*Misc Fall Programming

Council Member Duffy good job, the life skill project should be a class in HS.

Council Member Hayden - I love what you do for the kids.

2. Presentation and discussion pertaining to the 2018 International Building and Fire Codes adoption process including local amendments - NO ACTION

Chris Boyd gave highlights and the upcoming steps of the 2018 I-Code Adoption.

2018 international residential code

2018 International Energy Conservation Code

2018 International Fuel Gas Code

other codes that are adopted - existing building code and 2018 green construction code

Implementation

Vice Mayor Winters - takes place of Surprise code, umbrella?

Mr. Boyd - it's published then implements the code this is the most efficient way to do it internally.

Vice Mayor Winters - do all cities use them?

Mr. Boyd - yes, some version of it.

Vice Mayor Winters - page 35, he inquired about pool barriers.

Mr. Boyd -chainlink fences cannot be used

Council Member Sanders - assisted living example.

Mr. Boyd - certain requirement egress, etc. - comes under commercial.

Council Member Remley - commend you on presentation, easy for us and public to understand. Kids and pools - under new code in general what are requirements?

Mr. Boyd - not making any changes.

Mr. Bennett spoke of two option pool barrier, minimum size, self closing and latching, pool alarms and no pet door.

Council Member Remley - side gate - are those required?

Mr. Bennett spoke of ped. gate, away from pool, self latching, pool barrier and RV gate.

3. Presentation and discussion pertaining to investment activities within the Public Safety Pension Retirement System (PSPRS) - NO ACTION

Finance Director Andrea Davis introduced Scott McCarty (Board Trustee and Will Buividas (Board Chair).

Mayor Hall - reference the slide and asked if steep climb.

Mr. Buividas and Mr. McCarty reported on the following:

- 1) gave history of new board - 9 members
- 2) System Overview
- 3) Where does the money come from?
- 4) Reforms to the System
- 5) Tier 3 cost savings example Surprise PD (FY19/20)
- 6) More needs to be done
- 7) Liabilities grew faster than assets (Tiers 1 & 2)
- 8) Funded status of individual plans has decreased
- 9) Disbursement of \$8.8B unfunded liabilities (Tiers 1 & 2)
- 10) Tier 3 results: \$200K unfunded liability (89% funded)
- 11) Recent changes made by the board
- 12) Key board goals and initiatives
- 12) Actuary assumptions

- 13) Focus on stakeholder involvement
- 14) Employer recommended practices
- 15) History of prepaid contributions of July 1st
- 16) Amortization periods
- 17) Who is doing what?

Council Member Remley - interest rates, 7.3 % assumption. Where do we get these rates how do they affect the balance of the unfunded liability?

Mr. Buividas - private credit, equities, private equity, assets in r estate, less risk diverse, put more in equity.

Mr. McCarty - Weigh those options, we set the minimum.

Council Member Sanders - first step tier 3 doesn't turn upside down?

Mr. Buividas - We have to get it right.

Council Member Sanders - name a couple of assumptions

Council Member Sanders - why wasn't there a change earlier?

Mr. Buividas - There were some changes in 2008 - no ability to invest in US equities and US Bonds.

Council Member Duffy - asset allocation - what was it before?

Mr. Buividas - the equity has been approx 30%.

Mayor Hall - What does the Administrator do?

Mr. Buividas - we're the policy making body of the system

Mayor Hall - new one be incentivized?

Mr. Buividas - offer a competitive base salary.

Mayor Hall - tier 3 - slide 12 should be flip flopped.

Yes, that is correct.

4. Presentation and discussion pertaining to Council priorities - NO ACTION

ACM Schott gave background and introduced staff.

Finance Director, Andrea Davis reported on anticipated funding through budget priorities for our police and fire to ensure the city remains safe and secure through our next growth cycle.

Mayor Hall sales report before reimbursement?

Kendra Pettis and Donna Miller reported on goals. Encourage and facilitate, where possible, the cooperation and synergy of our new residential university, Ottawa, the trade school West-MEC, Dysart Unified School District and our several charter schools to maximize the educational benefit for our youth.

Collaborate with Dysart Unified School District to maximize the use of facilities to benefit our youth.

ED Director, Jeanine Jerkovic - Work with Economic Development Department to attract private investment to produce an entertainment venue for teens.

L. Adjournment

Council Member Sanders made the motion to adjourn the Regular City Council Work Session of September 17, 2019 at 5:58 PM. Vice Mayor Winters seconded the motion. Seven yes votes, motion carried.

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, September 17, 2019.**

Sherry Ann Aguilar, City Clerk, MMC