



CITY OF SURPRISE
Regular City Council Work Session
16000 N. Civic Center Plaza
Surprise, AZ 85374
Tuesday, March 21, 2023 @ 4:00 PM
COUNCIL CHAMBERS

- A. Call To Order
Mayor Hall called the Regular Council Work Session to order at 4:00 p.m. at the Surprise City Hall located at 16000 N. Civic Center Plaza, Surprise, AZ. 85374.
- B. Roll Call
In attendance with Mayor Hall were Vice-Mayor Chris Judd and Councilmembers Nick Haney, Alyson Cline, Patrick Duffy, Ken Remley and Jack Hastings.
- C. Pledge of Allegiance
Mayor Hall led the Pledge of Allegiance.
- D. Proclamation and Community Acknowledgements
None issued.
- E. City Manager Report
No report
- F. City Clerk Report
No report
- G. Call To The Public

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins. [Download the Call to the Public form](#) (PDF download requires Adobe Acrobat Reader) [Fill out the Call to the Public form online](#) If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.
The Call to the Public form is also available at the front counter.

Note: A.R.S. 38-431.01(H)- During this time members of the public may address City Council only on issues within the jurisdiction of the City Council which are not an item on the agenda. At the conclusion of the open call, City Council may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

Please be aware that Council Members may not discuss or respond to matters raised during call to the public that are not specifically identified on the agenda. Council Members may however, in their discretion, discuss or respond to relevant matters raised during a noticed public hearing or agenda item.

no call to the public received.

- H. Regular City Council Work Session Agenda

CONSENT AGENDA:

No consent agenda items.

REGULAR AGENDA ITEM - PUBLIC HEARING:

No public hearing items.

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|----|----------|---|-------------------------|
| 1. | Citywide | Presentation and discussion regarding updates to our Investment Advisor and policy. | None |
| | | | Andrea Davis
Finance |

Finance Director, Andrea Davis gave a powerpoint presentation on our Investment Advisor Policy changes. Ms. Davis' staff report explained that the investment of public monies is regulated by Title 35 of Arizona Revised Statutes (A.R.S). Investment policies are an important element of sound financial principles which demonstrate the City's commitment to invest public monies in a manner that will maintain the safety of principal, maintain liquidity, and provide an industry benchmark yield. The City's Investment Policy was initially adopted by Resolution #04-171 on August 26, 2004, it was first amended by Resolution #07-62 on May 24, 2007, and then it was amended a second time by Resolution #2018-88 on June 19, 2018.

Ash Mehta, consultant explained what his roles with the company and identified the key professionals that represent the firm. Mr. Mehta identified state statutes that is required to follow regarding municipal investments and discussed City benchmark investments, credit downgrades, eligible money market funds.

Councilmember Remley asked about investment on the funds we have on hand, on the corporate bonds, what level of bonds and what is the status on US Government Bonds? Mr. Mehta gave some examples of different types of bonds that would qualify and the procedures that are required by state statute for ratings. Councilmember Remley inquired about in recent months the rates for CD's and savings accounts have changed dramatically, where are you at in this area? Mr. Mehta commented that we are working on this actively but it is a volatile environment right now. Our main focus is to preserve capital.

Ms. Davis mentioned having a larger benchmark, higher yielding savings account. We have cash in the bank earning interest at the highest rate we can, we have operating cash, savings accounts, etc. Council member Remley commented that the point of his question was to make sure we have assurance that we are not in the same position as the other banks and what we have been seeing lately.

Vice-Mayor Judd asked how much do we have invested? Mr. Mehta estimated at 180 million, and 75 million as a safety net. Ms. Davis confirmed and also mentioned that we have some in an LGIP Account in the bank. Vice-Mayor Judd asked Why do we have so much money? Ms. Davis gave a summary of the funding we have available and what is allocated for expenses. The additional funds are not meant to be spent, but for financial stability.

Vice-Mayor Judd asked staff if they can give us an idea of what kinds of things can we invest in? Mr. Mehta clarified- 17 different classifications with a 3.8% returns.

Councilmember Duffy asked if we are running a discretionary? Mr. Mehta confirmed, yes we are.

Mayor Hall asked if the yields, would that flow into our CIP? Ms. Davis commented yes the flow we would get from the yields could go towards our CIP projects with one time funding.

Councilmember Cline asked if departmental interest earnings come back to a specific fund for accounting? Ms. Davis commented that absolutely, who ever owns the cash, gets the interest.

Councilmember Remley commented that when we reduce the allocation on the municipal bonds from 40 to 25, which that sounds good, the municipal bonds are paying at a lower interest rate. Also, Arizona Cities and Towns have struggled with our pension boards, the City is in good

shape but it would have been nice to have this kind of management before.

Ms. Davis commented that if no other questions, staff will bring this item back at a future meeting for council consideration.

No other comments or questions were made.

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| 2. | Citywide | Presentation and discussion pertaining to the FY2024 Budget Department Overview - Public Works, Transportation, Water Resource Management, and Community and Economic Development Departments. | None

Andrea Davis
Finance |
|----|----------|--|-------------------------------------|

Finance Director, Andera Davis and Assistant Finance Director, Eric Boyles gave a powerpoint presentation pertaining to the FY2024 Budget Department Overview - Public Works, Transportation, Water Resource Management and Community and Economic Development Departments.

Topics highlighted included:

Development Services points of interest were reviewed. FY 24 top priorities - capital and operating were discussed.

Economic Development - points of interest included 40+ citywide ribbon cuttings, groundbreakings and business celebrations. A Workforce Development Program is being requested and capita request of City Center Civic Maintenance costs.

Vice-Mayor Judd asked why is this being done through economic development. Shouldn't this be some other department such as public works? Ms. Davis commented that overall this is to support workforce development to assist businesses with finding employees.

Councilmember Cline commented that she serves on the Education sub-committee along with Councilmember Hastings which has a lot to do with part of what we are working on. If we can bring the right workforce here, our businesses will benefit.

Councilmember Remley commented that "work force" is a wonderful buzz word, Is there any specific examples of what we plan to do with somebody for \$250,000.00 that is being requested? Assistant Economic Development Director, Hoover commented that the emphasis has gone from real estate to business interests. The funding will benefit assisting the small business community in conjunction with local colleges, students would have a right to apply for the scholarships.

Councilmember Remley commented that WES-TEC has a cosmetology program that didn't require a scholarship. Mr. Hoover commented that this would be more geared to the college adult education program for admission costs, supplies to name a few and restrictions to qualify if they are a graduate or student of our community or an employee of a local business, they could be entitled to this program funding.

Councilmember Cline said she is excited about this program and working with adults who are looking into expanding into IT Programs, workflow programs, project management. Many of them have dealt with layoffs at their current employers. Mr. Hoover concurred that this will effect - University level campuses and part of the plan is to rollout awareness of this program.

Mayor Hall asked staff to not forget forget about the people who are home base students, He stated that he was thinking of the one in Surprise that recently opened with foster kids, this could be a great opportunity for them. Mr. Hoover commented that yes two will be home-based education programs. We are also about to launch a micro-transit program. and we are hoping to bridge the programs together.

Public Works, Transportation and Streets - points of interests including capital projects.

Councilmember Haney asked about Loop 303, who's jurisdiction is that? Ms. Davis commented that Loop 303 is a State highway, it does not belong to the City, we cannot make improvements but will be working with various agencies for future improvements.

Mayor Hall asked about Happy Valley Road and 163rd Avenue. Public Works Director, Kristin Taylor commented that this will be developer lead and will be a requirement to be worked into the design.

Councilmember Remley asked about the plan for building or rebuilding the main streets, specifically, in District 1, what are our priorities? This is where our major growth is at and we have lots of dirt roads.

Ms. Davis clarified that we will prioritize the City street projects developing in phases due to traffic issues.

City Manager Wingenroth reminded Council of the budget discussion last year, some of the scalloped streets will come out of the general capital fund, and currently preparing to come to Council with a bond ballot issue for this year,

Councilmember Remley commented that we are receiving lots of complaints about Happy Valley Road and other main streets, why didn't we plan for this?

Councilmember Haney commented that we have been holding community meetings with the topic of traffic and the 303 and Grand, and explaining to our residents that we are making traction working with the State Legislature down at the State capital on potential funding for traffic improvements and we expect to be heard today.

Water Resource Management - points of interest

Councilmember Cline commented that the WIFA fund was approved, she asked what the amount that we was approved? Ms. Davis commented \$35 million, less that 2.91 rate.

Upcoming Calendar - Tentative Budget Adoption Schedule was reviewed.

Councilmember Remley asked about the bio-solids Phase 2, we were hoping to get some results from the investment, also talking about alternative uses for left excrement, what are we saving with this program? Water Resources Director, Michael Boule commented that with Phase 1 being completed, we have some good data now. Our partnership with Ottawa is flourishing, looking at alternate uses for the bio-solids.

Councilmember Remley commented that our facility is only 1 of 2 that is used for a training facility for the newer operations. Do we have marketing that we put out to other states? This could offer College class certifications.

City Manager Wingenroth commented that currently we do not have that type of marketing in place but we will look at this.

- I. Other Business and Future Agenda Items
No items added.
- J. City Council Reports
No Council Reports.
- K. Executive Session

No Executive Session was held.

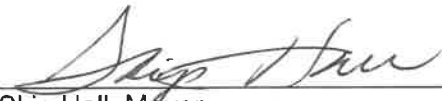
For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

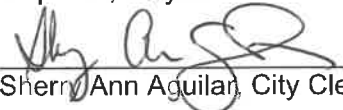
- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));

L. Adjournment

Councilmember Cline made the motion to adjourn the Regular Council Work Session to order at 4:53 p.m. Seconded by Councilmember Duffy. 7 yes votes to adjourn. Motion carried.

ATTEST:


Skip Hall, Mayor


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 March 21, 2023.


SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: Thursday, March 16, 2023 @ 1:30 PM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.