



CITY OF SURPRISE
City Council Meeting Minutes
100 North Civic Center Plaza
Surprise, AZ 85374

Thursday, July 2, 2009 @ 04:00 PM

CALL TO ORDER.

A. Roll Call Special City Council Meeting Agenda:

Mayor Truitt called the **Special City Council Meeting** to order at 04:00 p.m. Surprise City Hall Council Chamber 16000 North Civic Center Plaza Surprise, Arizona 85374 , on **Thursday, July 2, 2009**. Also in attendance with Mayor Truitt were Vice Mayor Johnson, Council Member Longabaugh, Council Member Villanueva, Council Member Hall, Council Member Alton, and Council Member Williams (via teleconference call).

Staff Present: City Manager, Randy Oliver, Assistant City Manager, Doug Sandstrom, City Attorney, Michael Bailey, City Clerk, Sherry Aguilar, and Deputy City Clerk, Linda Stevens.

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

#2. Consideration and action on Resolution 09-131, a resolution of the Mayor and Council of the City of Surprise, Arizona, submitting the General Plan 2030 to public vote on November 3, 2009 - APPROVED

Janice See, Senior Planner gave a brief report on the Resolution and stated that if approved it would move the plan forward to the November election.

Vice Mayor Johnson made the motion to approve Resolution 09-131, a resolution of the Mayor and Council of the City of Surprise, Arizona, submitting the General Plan 2030 to public vote on November 3, 2009. Council Member Hall seconded the motion. Seven yes votes. Motion carried.

Call to the public: None

#1. Consideration and action on Resolution 09-130, ordering and calling a special election to be held November 3, 2009, to submit to the qualified electors of the City of Surprise the question of selling and issuing bonds payable from secondary property taxes - APPROVED

Pledge of Allegiance

Budget Manager, Jared Askelson reported on November 3rd ballot, setting maximum bonding authority for a potential general obligation bond and designated amounts in project categories. He

further reviewed the Citizen Bond Committee Mission, process, background information and revenue comparison.

Jim Stricklin of Wedbush Morgan Securities reported on the updated material, outstanding debt and property taxes.

City Manager Oliver reported on Capital Improvement Projects.

Council Member Alton commented on; comp provision, bond market, rates, being paid back from developers, compassionate surprise and worst case and best case scenario.

Budget Manager, Jared Askelson reported on the timeline.

Council Member Hall commented on the fixed item and increased rates.

Council Member Alton inquired about the cost and publicity pamphlet.

Council Member Hall inquired about the time period when the market comes back.

Call to the public:

Thomas Hanford commented on: bond committee, opposed to it, people being evicted from their homes, alter ego, majority were negative for the bond and spending on pet projects.

Richard Strnad commented on: reviewed last couple of weeks, doesn't support it and 2009 CIP.

Thomas Jackson commented on: 56% is not acceptable, overdue utility bills, no new bond issue and we can't afford it.

Sharon Wolcott commented on: GO Bond is fatally flawed, strategic investments - public is on overload and establishing a line of credit.

Sharon Wolcott submitted the following for the record:

If you must move forward today, why not consider a spending target of \$50 million in 2010. Defer the remaining bond authority for another day, when more is understood about outstanding critical needs. Target these funds to the top priority needs in each category. Let's see how we do as a community by bding thoughtful, measured and focused. Thank you for listening.

Possible Priority list:

Transportation:

\$34 million Grand/Bell

Public Safety:

\$2 million Police

\$2 million Fire

Economic Development

\$8 million Rail station and land

Parks and Recreation:

\$4 million Multi-purpose center

Increase of .27 per thousand (or just under 50% increase in local taxes)

Ken Wright commented on: working paper until tonight, list of projects, page 11 - federal programs are not listed and 4 public input meetings.

The following was submitted for the record by Ken Wright.

June 30, 2009

*Lyn Truitt
Mayor, City of Surprise
16000 N. Civic Center Plaza
Surprise, Az. 85374*

Dear Mayor Truitt;

I attended most of the General Obligation Bond Citizens Committee meetings and have carefully read all the recorded minutes. General observations are noteworthy. City staff provided numerical and graphical information that was comprehensive in scope and very detailed. The four public input meetings provided liberal opportunity for input for consideration. Committee Chairman Cliff Elkins, all committee members and staff members; Arthur, Askelson, Lynch, Maki, Oliver and Sandstrom are commended for their diligence and professionalism in their study of the bond issue. The final recommendation validates their concerted efforts.

A few questions are presented for your consideration:

Cost of projects were presented and projected in 2008 dollars. A table (attachment A) notes how 185 million 2008 dollars projected 3% per year inflation jumps in cost through 2019.

Mr. Oliver stated developers are required to pay for two lane roads. The city does have a repayment ordinance that states if the developer within ten (amended to 15) years, the city receives reimbursement for the street improvements they provided. Where will these funds be channeled?

Operations of the city and various contractors entail very similar cost elements; direct and indirect employee costs, overhead, facilities, fixed and mobile equipment, and material. Is the council willing to project all these costs of operation for Surprise over a ten year period at 2008 dollars?

- 1. Should the 2008 cost projections be adjusted for inflation to; reflect what taxpayers will really receive for 185M dollars.*
- 2. New street construction and widening is normally a capital improvement project. Street maintenance for preservation or resurfacing is an annual budgeted activity. Should the 20.9M dollars in street preservation cost really be included in a bond issue?*
- 3. If additional stimulus funds are received, how would they factor into a CIP program?*

Uncertainty in state funding, federal programs and taxation, the overall economic outlook and even the impact fee question are other considerations in submission of a General Obligation Bond Issue.

I trust Surprise senior management and the council members of proven integrity to guide the process of making Surprise a better city. If nothing is done the capital improvement needs will simply go grossly underfunded or unfunded.

Based on demonstrated need for programming incremental development of proposed bond issue capital improvement projects and the lack of sufficient funds from other sources I support the adoption of Council Resolution 09-130.

The council will be correct in sending the bond issue to the voters to decide in a democratic manner, with their vote.

Respectfully

*Ken Wright,
16176 N. 158th Ave.
Surprise, Az. 85374*

*Cc: Councilman Roy Villanueva
Councilman John Williams
Councilman John Longabaugh
Councilman Skip Hall
Councilman Richard Alton
Jared Askelson
Cliff Elkins
Ken Lynch
Randy Oliver*

Attachment A

185,000,000.00

Calculations at 3% annual inflation (compounded annually)

YEAR AMOUNT (rounded M)

2008	185
2009	191
2010	196
2011	202
2012	208
2013	214
2014	221
2015	228
2016	234
2017	241
2018	249
2019	256

Mike Woodard commented on: served on the committee, attended each meeting, was not in favor of a general obligation bond in the beginning, staff presented information then he looked at it differently, he is not clear on the timing and allowing the public the opportunity to express their feelings on this issue.

Cliff Elkins commented on: holding this meeting at 4:00 p.m., should have started in June, need to take action tonight and making the public aware.

Janet Walker commented on: being in agreement with the people, she is against it, economy, spending on the sign in front of old City Hall, loss in the tennis court, loss in Heard Museum and feels it is a big mistake.

Paula Forster commented on: 10% set aside, mortgage company, the negatives are not told, the interest rates will change, tennis courts and commuter rail.

Harvey Noteboom commented on: served on the committee, educational process, how city is financed money rolled in every resident have the opportunity of what is going on in the city finances, negative on taxes and wanting the good things but we have to pay for them.

Council Member Williams commented on; feedback, committee members and strong educational process for the public.

Vice Mayor Johnson made the motion to approve Resolution No. 09-130 with the following amendments: 1) adding a section. Section 10 (A) that the minimum numbers of years any issue or series of bonds will run will be 10 years and the maximum number of years any issue or series of bonds will run will be 30 years and (B) that the City currently has no outstanding general obligation debt and the City's constitutional debt limitation is \$351,856,578. 2) changing the last sentence of the ballot to read "The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds." Replacing pages B5, B6 and B7 with the revised pages provided by staff. Council Member Villanueva seconded the motion. Council Member Williams (via teleconference) - Yes. The following votes were cast by ballot: Council Member Longabaugh - No; Council Member Alton - No; Council Member Villanueva - Yes; Council Member Hall - No; Vice Mayor Johnson - Yes and Mayor Truitt - Yes. Four yes votes, 3 no votes. Motion Carried.

EXECUTIVE SESSION: None held

#3. Pursuant to A.R.S. § 38-431.03(A)(3), the City Council may go into executive session with the City Attorney for legal advice on any item listed on the agenda.

#4. Consideration and action on executive session items.

ADJOURNMENT:

Mayor Truitt adjourned the Special City Council Meeting of July 2, 2009 at 5:47 a.m.

L.E. Truitt, Mayor

ATTEST:

Sherry Ann Aguilar, City Clerk,

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 Special City Council Meeting of **Thursday, July 2, 2009.**

Sherry Ann Aguilar, City Clerk,