



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

Tuesday, May 19, 2015 @ 04:00 PM

A. Call to Order

B. Roll Call

Mayor Wolcott 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 **Tuesday, May 19, 2015**. Also in attendance with Mayor Wolcott were Vice Mayor Williams, Council Member Winters, Council Member Biundo, Council Member Villanueva, Council Member Hall, and Council Member Tande.

Staff Present: City Manager, Bob Wingenroth, City Attorney, Misty Leslie, and City Clerk, Sherry Ann Aguilar.

C. Pledge of Allegiance

D. Proclamation and Community Acknowledgements

1. Proclamation recognizing National Public Works Week, May 17-23, 2015. The recipients are: Mike Gent, Public Works Director

Mayor presented and read aloud Proclamations to Public Works and Police Department for National Public Works Week and National Police Week.

E. City Manager Report

F. City Attorney Report

G. City Clerk Report

City Clerk Aguilar spoke of voter engagement, election brochures and book marks.

H. Regular City Council Meeting Agenda:

Consent Agenda

2. Consideration and action on the minutes of the May 5, 2015 Regular City Council Work Session and Regular City Council Meeting - APPROVED

3. **Consideration and action on a request by David Johnson, Turf Paradise, Vice-President to renew Off-Track Parimutuel Wagering at Brookside Bar & Grill II located at 15170 W. Bell Road, Surprise, Arizona 85374 for the period of June 1, 2015 through May 31, 2018 - APPROVED**
4. **Consideration and action on a request by David Johnson, Turf Paradise, Vice-President to renew Off-Track Parimutuel Wagering at Runner's Sports Bar located at 12751 W. Bell Road, Suite 115, Surprise, Arizona 85378 for the period of June 1, 2015 through May 31, 2018 - APPROVED**
5. **Consideration and action on a request by Applicant, Lauren Merrett for a Series 12 Liquor License for Texas Roadhouse to be located at 14175 W. Grand Avenue, Surprise, AZ. 85374 (New License/LLC - 1207A238) - APPROVED**
6. **Consideration and action authorizing the City Manager to enter into an intergovernmental agreement (IGA) with the city of Glendale authorizing off-duty City of Surprise police officers to work for the city of Glendale for events occurring at the University of Phoenix Stadium; Resolution 2015-41 - APPROVED**
7. **Consideration and action authorizing the submittal, acceptance and execution of the 2016 GOHS Fire-Medical Traffic Safety Campaign grant through the Governor's Office of Highway Safety Program in the amount of \$21,000; Resolution 2015-46 - APPROVED**
8. **Consideration and action accepting two grants, each in the amount of \$1,000, from Wal-Mart located in Surprise, Arizona to support the Police Explorer Program; Resolution 2015-40 - APPROVED**

Council Member Biundo made the motion to approve the consent agenda. Council Member Hall seconded the motion. Seven yes votes. Motion carried.

Regular Agenda Item - Non Public Hearing

9. **Presentation and discussion regarding Bell Road and Grand Avenue (US60) Traffic Interchange final aesthetic concept - NO ACTION**

Long Range Planner, Jackie Keller introduced Artist, Meg Seligman gave an overview of the ideas that have been discussed at recent public hearings. The preferred concepts have been the Agave with the possibilities of other significant figures that residents feel would describe our community.

Samples were shown to Council for discussion.

Council Member Tande - I am wondering if this is going to be accessible for people that want to get a better longer look at this other than just driving by.

Ms. Keller - We are going to take the design such as in front of Red Lobster so it stands out in more detail, maybe an interactive station. Look at areas of walking opportunities.

Council Member Hall - Clarify if there is a walkway along south of Bell to north of Bell that goes underneath.

Council Member Villanueva - You mentioned about the fence, is the mountain outline is the fence?

Ms. Keller - Yes correct, could be a mountain or an agave and highlight at night.

Mayor Wolcott - I especially appreciate the lighting images of baseball player swinging a bat, farmer harvesting, etc. This is something the entire community can get involved in and engaging the community.

10. Consideration and action on the City of Surprise Water Resource Management Policies - APPROVED

Water Resources Director, Terry Lowe gave a powerpoint presentation regarding this topic and highlighted the timeline of this project.

Council Member Tande - What if we had a business come in that wanted to use non-potable use, would it affect our residents?

Mr. Lowe - Commercial use.

Ken Wright - Water Committee looked at other factors that should be internal that would build some gaps while we were on the committee and maintained. He referred to a basin study that came out 18 months ago and a graph that shows a steady decline. He further commented that it doesn't look too good.

Council Member Hall made the motion to approve the City of Surprise Water Resources Management Policies. Council Member Winters seconded the motion. Seven yes votes. Motion carried.

11. Consideration and action on the 5th amendment to the Sports Facilities Use Agreement with Texas Rangers and Kansas - APPROVED

Community and Recreation Services Director, Mark Coronado gave a powerpoint presentation regarding this item. Thanked staff for their efforts to complete this task.

Mayor Wolcott thanked Mr. Coronado and his staff and all other staff involved in getting this accomplished.

Council Member Hall - Really appreciate the efforts on this project. Rangers agreement to vacate the Royal facility?

Mr. Coronado - the Royals will be relocating to Papago Park while the renovations take place and the Rangers will stay in the facility and block off a section at a time to renovate.

Council Member Hall - Capital Improvement Account - Funded by net premium seating?

Mr. Coronado - combination of net premium seating and general fund subsidy.

Council Member Hall - The Sponsoring Organization which is Sundancers. It should state excellent customer service, not satisfaction customer service.

Vice Mayor Williams made the motion to approve Sports Facility Use Agreement with Texas Rangers and Kansas City Royals. Council Member Hall seconded the motion. Seven yes votes. Motion carried.

12. Consideration and possible adoption of a resolution approving the sale, execution and delivery of a first purchase agreement not to exceed \$40,000,000 aggregate principle amount of pledge revenue obligations evidencing a proportionate interest of the owners thereof in a purchase agreement; approving the form and authorizing the execution and delivery of such purchase agreement and other necessary related agreements, instruments and documents; delegating authority to determine certain matters and terms with respect to the foregoing; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency; Resolution 2015-50 - APPROVED

Lindsey Duncan, Finance Director and Budget Manager, Andrea Davis gave an overview and powerpoint presentation regarding this item. A detailed timeline was reviewed for Council consideration.

Council Member Hall - Good job staff, this is a complicated issue that was presented well. He clarified the premium discount, right now it looks like if we issue the bonds today there would be a premium so we would have to issue less to get the same proceeds. Ms. Duncan concurred.

Council Member Villanueva made the motion to approve Resolution 2015-50. Vice Mayor Williams seconded the motion. Seven yes votes. Motion carried.

13. Presentation and discussion of the update on Veramonte Park, Surprise Farms Park / Skate Park Project progress - NO ACTION

Community and Recreation Services Director, Mark Coronado gave a Park Update by powerpoint presentation.

Council Member Winters - Thanked staff and CRS Commission for their efforts, he questioned shaded areas.

Council Member Hall - Have the bids been awarded?

Mr. Coronado - reviewed the RFP process and based the decision on qualifications and history.

14. Consideration and action on the Comprehensive Financial Management Policies - APPROVED

Budget Manager, Jared Askelson gave a powerpoint presentation on this item.

Council Member Tande - Thanks for the update, this is very important especially considering

bonds for the future.

Council Member Hall made the motion to approve the Comprehensive Financial Management Policies. Council Member Tande seconded the motion. Seven yes votes. Motion carried.

15. Presentation and discussion on updated City pavement condition assessment - NO ACTION

David Kelly, Public Works introduced public works staff, Fermin Camacho and Tony De La Cruz who are in charge of the pavement preservation program.

Council Member Hall - For an extra million dollars you could get the OCI to a reading of 80?

Mr. Gent - Yes one million would raising in that direction to 80.

Council Member Hall - I go back to what our residents talk about Surprise, clean and safe are the main reason people are coming here. We need to be careful how we handle this issue of street preservation and it's part of what our community finds appealing. I am for trying to find a way to add to the street preservation fund.

Council Member Winters - Center line miles and lane miles, what is the difference?

Mr. Kelly explained difference.

Council Member Biundo - This report gives us solid data to give our residents about the conditions of our streets. I was expecting a report that was in worse shape than this but clearly some areas need attention. I agree that funding needs to be added to this category to get us towards the 80 target.

Vice Mayor Williams - This is some really good data, what I would like to see is what the OCI is for specific areas.

Council Member Tande - I like the OCI target of 80 and would like to talk about meeting minimum target of 65 so it doesn't get to the point of extreme repair. I think this is a very important initiative to brand the City.

Council Member Villanueva - Dysart Road has really been a concern of the community, there is no way to get to Grand Avenue on the north side of the railroad tracks.

Council Member Hall - Are our standards right, are they corrected from the past?

Mr. Gent - The standards overall have improved over the decades. Customized for each type of road.

Council Member Hall - Asked for clarification of different types of materials being used for paving.

Mr. Camacho explained the different types of materials, testing procedures and thickness of pavement.

Mayor Wolcott - It is great that everyone is passionate about pavement preservation. We have

an advantage here with our climate compared to other states. While we may be spoiled, we don't want to lose ground and this is what makes our City inviting to residents and our future residents. This is basic operations and maintenance.

16. Consideration and action on making public records of: 1) the Federal Manual of Uniform Traffic Control Devices; 2) the Surprise Truck Route Map; 3) the Surprise Street Speed Limit Map; and changing the street classification of portions of Jomax Road, Jack Rabbit Trail, and Bullard Avenue; Resolution 2015-47 - APPROVED

City Attorney Leslie commented that the next 3 items will all be included in one presentation but three separate actions will be taken.

Transportation Planning Manager, Martin Lucero gave a powerpoint presentation regarding this item.

Council Member Hall - South of Parkview on Mountain View, are you looking at posting that?

Council Member Villanueva - I have a real problem with Dysart Road with being a truck route. I don't see how we allow trucks going through there; it's only a 2 lane road.

Mr. Lucero - El Mirage and the County designated this road as a truck route.

Mayor Wolcott - I see Dysart as a very important road as a connector, but it needs to be expanded for trucks. It serves our industrial park but also for El Mirage, I would like to see us partner on this issue.

Council Member Tande - Questioned speed limits on streets with schools.

17. Consideration and action declaring as a public record a document entitled "Amendments to Surprise City Code Chapter 54, May 2015," pertaining to traffic regulation; Resolution 2015-48 - APPROVED

Attorney Brady conducted a presentation on Resolution No. 2015-48; he summarized some of the changes.

Council Member Hall made the motion to approve Resolution 2015-47. Council Member Tande seconded the motion. Seven yes votes. Motion carried.

Council Member Biundo made the motion to approve Resolution 2015-48. Vice Mayor Williams seconded the motion. Seven yes votes. Motion carried.

18. Consideration and action adopting the federal regulations and maps made public record by Resolution 2015-47, and enacting Amendments to Surprise City Code Chapter 54, May 2015, made public record by Resolution 2015-48, and declaring penalties for violation; Ordinance 2015-08 - APPROVED

Vice Mayor Williams made the motion to approve Ordinance 2015-08. Council Member Tande seconded the motion. Seven yes votes. Motion carried.

19. Presentation and discussion of the City's current code requirements for real estate signs and policy for enforcement - TABLED

City Manager Wingenroth recommended tabling item #19, staff is not completely ready to present tonight.

Vice Mayor Williams made the motion to table this item. Council Member Tande seconded the motion. Seven yes votes. Motion carried.

Mayor Wolcott recessed the Special Meeting for a break at 6:31 PM and reconvened at 6:48 PM.

20. Presentation and discussion regarding a written report created by the Capital Improvement Funding Exploratory Committee as required by Resolution 2015-21; and discussion of the options and timing of any bond initiative - NO ACTION

Deputy City Manager, Nicole Lance opened the discussion for this item. Ms. Lance introduced the Chair of the Capital Improvement Funding Exploratory Committee, Diane McCarthy.

Committee Recommendations were discussed:

Voter Engagement - Ballot By Mail

Communication Methods

Hiring a bond consultant

Project Packages (50 Million; 60 million and 75 million dollar packages).

Mayor Wolcott commented that Diane McCarthy was headlined in the paper, created new coalition and is being recognized. You are a perfect Chair to help the City sort through this process.

Council Member Hall - Thanked Diane for chairing this Committee, very positive group of people.

Council Member Hall - Question on the 60 million dollar package - I don't get the totals for this project. Pavement Preservation could be taken out of the equation, I have an issue with going out for a bond for pavement preservation.

Council Member Biundo - For the record, I was opposed to the formation of this Committee, having said that, the Committee is fortunate to have you head this committee. Are there any individual projects that the Committee would classify as urgent, that it has to be done right now.

Ms. McCarthy - The urgency would be to buy the land for a multi-generational recreational facility.

Council Member Biundo - Did the committee consider a property tax increase for any of these projects?

Ms. McCarthy - We had some ranges, but the difference between all 3 of these projects would not be that much.

Council Member Biundo - There is statement on page 5, education and communication for voter outreach. July and August for most of the public outreach efforts, would this reach all areas of our City?

Council Member Biundo - Tell me how Pickleball got into all 3 recommendations?

Ms. McCarthy - Pedestrian overpass, employee health center, wellness programs, all of these got left out but Pickleball made it.

Council Member Tande - I actually visited a few meetings, I enjoyed the discussion. The committee couldn't come to a unanimous vote and that's great. I agree that preservation should come out of operating budget, not for bonding.

Council Member Tande - I like the way the reports were prioritized, but one thing I am concerned about if we move forward that we might be in competition with the Dysart School Initiative for the same ballot. What I would like to see is how do we categorize these (referred to the handouts). Broke down into 3 categories for discussion with Council.

Council Member Winters - I like the 60 million dollar package that includes station 304, 8 acre park that needs to be fenced in, but would like to leave up to the voters and that's a good thing.

Council Member Villanueva - I have a different view, there are a lot of things that we need, and I would like everyone to think about what is going on with the school bond issue. We are going to lose more teachers, and more families moving out of our City. I think we need the bond, but I think we need to wait and see what the school is going to do. I don't know if we could do both but we need to help the educational system.

Mayor Wolcott - There is some confusion on a bond verses an override election. I appreciate the comments of Council Member Villanueva and it is something that we have worked collaboratively with the school district.

Council Member Hall - I wanted to point out that I really enjoyed the project proposal reports. Fire station 308, I was surprised to find out that 80% of the calls for this area are being responded to by El Mirage Fire.

Council Member Biundo - Our earlier discussions I have not yet heard any real compelling evidence that any project is so urgent that it needs to go on the 2015 ballot. The proposed tentative budget has several capital improvement projects amounting to over \$60 million, how will the public take that we will ask for an additional \$60 million for a bond.

Council Member Biundo - Dysart board is making their decision tomorrow night, if they do decide to go, it is centered on the Dysart taxpayer. I can't support a 2015 Capital Bond Issue.

Vice Mayor Williams - One of the interesting things about Surprise is how we grew so urgency is in the eye of the beholder. I think everyone on the list, there is a need, but my concern is timing and success. The work the committee did is commendable but residents in our communities do not vote!

Council Member Tande - Lack of voting is a real concern. All of us support our school district but we need to get people involved.

Council Member Tande - We have a groundbreaking for IRIS that is a plastics company, and I am concerned that we do not have a fire station in my District and El Mirage would be responding to this area. I am very concerned about this. I want to hear from our residents, please flood us with emails.

Vice Mayor Williams - I really like and appreciate the vision of the combined Recreation Center, this will create a regional jewel in the valley, this is something we need to build into the plan, this is brilliant. We can build this in phases.

Council Member Biundo - There were a 1,000 yes votes for the override from Sun City Grand. I like the concept that Council Member Tande was referencing earlier. Perhaps our best time could be better spent looking at these projects in phases, then adapt our bond initiatives according to these.

Mayor Wolcott - This has been really helpful conversation and I also want to say as one of the 1,000 voters in Sun City Grand, thank you CM Biundo for bringing this point up again. Referencing the City's Strategic Plan is an educational component. We need to stay focused on how we can move this City forward. We need to give the voters an opportunity for the voters to tell us what they want. I don't want to have another bond failure because it will be another 6 - 10 years before we could try it again and have success.

Council Member Tande - How do we define the recreation center and how do we move forward. Maybe we should have a City process in getting the citizens involved during the next few months and further define what our needs are and what better way to engage our residents. We need to trust the voters on this.

Council Member Villanueva - I just don't think we have the time to reach the entire City, and we just don't have the time for this.

Wayne Turner - I wanted to clarify a couple of points, Community recreation center, would include a field house that will cost a lot more than 17 million dollars. Please take this into consideration.

Mayor Wolcott - Parking for these types of facilities, this is a huge land use piece. I do like the idea of fleshing out more ideas, I do like looking at the items that have more urgency and one is Greenway Road. The recreation center and pool, I know we need this since our pool is over subscribed, so we need this. I think it's going to take more time and planning. If we were to come up with a package this year for next year, I would like to know that what year it would go on the tax roll. I am sensing that now is not the time for this.

Council Member Biundo - It is much a matter of timing as it is the number and percent.

Mr. Wingenroth - Thank you for your input, I am getting the message that now is not the time and staff appreciate this message. We all heard that we won't be taking the foot off the accelerator to come up with a work plan, when it will go and when it will hit the tax rolls. Is this a good approach? I think the Committee has put us in a good position to be successful.

Mayor Wolcott - The Committee has really set the stage for us and thank you for all of your work on this project.

Council Member Tande - I am still looking for my citizens to flood me with emails to let us know

what they want.

Mayor Wolcott - I agree the public needs to weigh in and we are looking for their input.

Vice Mayor Williams - I still am leaning towards waiting another year is better but these are things that folks have been waiting for a long time. I just called out my District so maybe we will hear from them.

Council Member Villanueva - If we are going to sell this to our Community, we need to know how financially this is going to affect them.

Council Member Villanueva - I don't want to rely on the newspapers to send out to the residents, I want a paper to hand out to our residents.

21. Presentation and discussion regarding potential changes to the FY2016 tentative budget, specifically increases to services and the primary property tax rate - NO ACTION

Budget Manager, Jared Askelson gave a powerpoint presentation regarding this item.

Main topics of discussion include Property tax levy and Service Enhancements

Council Member Biundo - Pavement Preservation 1.5 million. The question is, is it possible to take a million and apply it to the pavement preservation, then you would still need to use some of the \$500,000. left, please explain again?

Council Member Tande - Comment on reserves, we always want to have in reserves in case of issues.

Council Member Winters - Asked for rates if property tax was raised?

Vice Mayor Williams - Move 1,000,000. into pavement preservation, throwing it out there for discussion.

Council Member Hall - What is our current rate right now? What are you recommending to move up to?

Council Member Tande - Concerned about accidents at Litchfield and at Bullard all the time, this should be a priority. We have been sending signals that we are on a conservative budget. We need to focus on rate.

Mayor Wolcott - read the following for the record: From a peak of 471.3 Million Dollars in FY/07 the expenditure budget declined each year through FY/13 when it equaled 168 Million Dollars, a total decrease in spending of 64.3% or 302.9 Million Dollars.

Mayor Wolcott - So if you want to drown your city keep going, I will get passionate about that. This is a city that has been through a lot and we have cut and cut and cut and if that's what the citizens want then keep telling us to cut and cut and cut and drown this city, just as it's getting ready to move forward.

Mayor Wolcott - continued reading the following for the statement: The last few years the city has seen some modest growth related to construction which has resulted in increased development related to revenues. With this development comes the need for additional infrastructure which we have to find a way to pay for. The FY2014 expense budget increased for FY2013 by 36.8 Million Dollars of that amount 24.7 was capital improvements or funds planned for future improvements as contingency. For FY2015 the expense budget increase by 105.6 or 51% Capital Improvements and contingency totaled 76.3 million of that amount in the FY budget of 310 Million represent a decrease "a decrease" of a 160 Million dollars or 34% for FY2007.

Mayor Wolcott - we are still very conservative no matter what we do, we're still conservative. Bring back that first bar chart. Do you want to see what the best deal in Arizona is? Look at Surprise, the best deal in Arizona. You get the best bang for your buck, right here in Surprise Arizona. I will defend the policies that this council has put forward to try to right the ship but I will also defend our efforts to try and find a way how we now focus our resources strategically and make sure that we are making good solid decisions for the future and bring in quality solid development here for the city for the future. Staff need that guidance from us we need that guidance from the public. I am calling the public out too because we have been hearing from them for weeks now, thinking that we are going to willy nilly into oblivion. We have cut spending 64% over the last 7 years and we can't keep going in that trend, we will drown. That's not what anybody in the city wants to see, I think we need to make some tough decisions. That's what we were elected for and so I really do appreciate this discussion. I am not calling anyone out at this table but I am calling out those taxpayers who are pushing the button that are saying vote no, do not raise anything do not help this city move forward. We have to strategically invest in one surprise in order for us to move forward. I hope that we can hear from the public about what you want. If you want this city to go on the decline and go down hill, I don't think that anyone of us is willing to do that and we're going to make some people unhappy. I think we need to make an investment.

Council Member Tande - I have dealt with rating agencies as well, that's a good discussion to have. We could cut our tax rate to zero and we would lose 6 million dollars.

Council Member Hall - In 2013 through January, our sales tax revenue was 18 million, in 2014 20 million, 2015 23 million, we did that without a functioning economic development department, we were limping along. Property tax doesn't buy us that much. I am so against raising property tax, I agree with Bob, let's reduce the rate. Let's propose sales tax instead. We are the only City in the west valley that doesn't charge sales tax on food.

Mayor Wolcott - Sales tax to me is the most overworked tax in the State. It is sending people away from our retailers and sending them to other places to shop. I am concerned about the leakage of sales tax because of our rate and the people who are not buying here. We don't have a mall so we are reliant on the sales tax generators that we have.

Council Member Hall - Auto mall comparisons.

Council Member Tande - I actually did ask staff to put a sales tax chart on my website. Read the percentages. I am for adjusting the rates to make us more competitive. I am reluctant to raise sales tax right now.

Council Member Biundo - I have discussed this in my district meetings for months now. I think I

can go forward in good conscious, we are not increasing your rate and because of that we are going to take a little more out of reserve and add it to pavement preservation.

Vice Mayor Williams - Maintain the rate.

Council Member Hall - I am in agreement with the 0.7591, but would like to take half million out of reserve.

City Manager Wingenroth summarized: We'll come back to Council with the budget at the next meeting with the rate at .7591; we will take the revenue generated by that - Delta - which is 171,600 and add to it a 1/2 Million dollars right now from our reserve and it would put a little bit more in the reserve to make up for that spending; talk to you about some ideas we may have to be able to do work on Greenway Road.

Council concurred.

Ms. Leslie - once you adopt the budget at the tax levy you cannot change your mind and go higher.

I. Call to the Public

J. Other Business - None

K. Mayor/Council Reports

L. Executive Session - Canceled

22. Discussions and consultation with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property; and to receive legal advice regarding the same, pursuant to 38-431.03(A)(3) & (7).

M. Adjournment

Council Member Biundo made the motion to adjourn the Special City Council Meeting of May 19, 2015 at 9:31 PM. Vice Mayor Williams seconded the motion. Seven yes votes. Motion carried.

Sharon R. Wolcott, 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 **Tuesday, May 19, 2015.**

Sherry Ann Aguilar, City Clerk,