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

Tuesday, August 16, 2016 @ 4:30 PM
COUNCIL CHAMBERS

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A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. 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 on any item not 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.

E. Regular City Council Work Session Agenda:

Regular Agenda Item - Non-Public Hearing:

1.	District Citywide	Presentation and discussion pertaining to the 2016 College Baseball and Spring Training season.	None Mark A. Coronado, Community and Recreation Services Director
2.	District Internal	Presentation and discussion pertaining to Ordinances # 2016-25 and #2016-26, formally creating an Audit Committee and Internal Audit Program, respectively.	None Bob Wingenroth, City Manager

3.	District Citywide	Presentation and discussion pertaining to an update of the Bell and Grand Intersection Improvement Project and business outreach efforts.	None Michael Frazier, Assistant City Manager

F. Executive Session:

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));
- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S.§38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6)).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03(C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

The council may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

G. Adjournment:

____

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED:

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.

Council Meeting Date:	August 16, 2016	Contact Person:	Mark A. Coronado, Community and Recreation Services Director
Submitting Department:	CRS	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Presentation and discussion pertaining to the 2016 College Baseball and Spring Training season.

Motion:

None; discussion only.

Background:

The spring 2016 Celebration of Baseball began with the return of College Baseball to the Surprise Recreation Campus – Campus of Champions with two NCAA collegiate baseball tournaments: the Surprise Spring Training College Baseball Classic Feb. 19-22 and the BIG 12 - PAC 12 Spring Training Baseball Challenge Feb. 25-29.
The NCAA college tournaments generated over 1,200 room nights between the teams and out of town guests at the City of Surprise. The teams included Oregon State, Utah Valley, University of Minnesota, Ball State, Kansas State and Kansas.

This past March was the 14th Spring Training season for the City of Surprise. 2016 was a record year with highest attendance of just over 206,000 and overall gross revenue of approximately $7.9 M.

Objective Analysis:

Spring Training and College Baseball has a positive economic impact on the city.

Policy Compliant:

This presentation is compliant with city and council policy.

Financial Impact:

Ongoing operational costs associated with College Baseball is budgeted under Special Events and Spring Training is budgeted under Campus Operations and Maintenance budget.

Budget Impact:

No budget impact. Report only.

FTE Impact:

No FTE impact.

ATTACHMENTS:

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Celebration of Baseball Report

College Baseball 2016

SURPRISE SPRING TRAINING COLLEGE BASEBALL CLASSIC

FEBRUARY 19-22, 2016

OREGON STATE UNIVERSITY / BALL STATE UNIVERSITY
UNIVERSITY OF UTAH
UNIVERSITY OF MINNESOTA / UTAH VALLEY UNIVERSITY

BIG 12 – PAC 12 SPRING TRAINING BASEBALL CHALLENGE

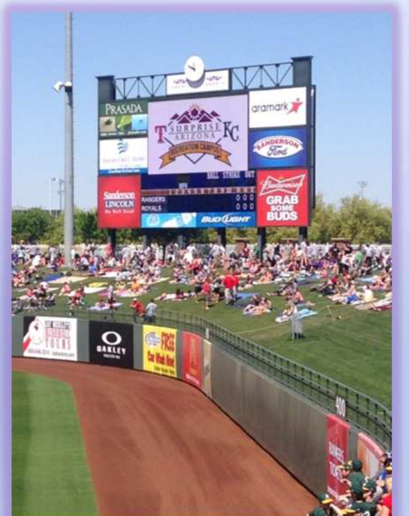
FEBRUARY 25-29, 2016

OREGON STATE UNIVERSITY / KANSAS STATE UNIVERSITY
UNIVERSITY OF KANSAS / UNIVERSITY OF UTAH

1,200+ Room Nights between teams and out of town guests at City of Surprise

SPRING TRAINING 2016

SURPRISE
ARIZONA



2016 Spring Training Attendance - 206,817 / +3%

Televised Games From Surprise 2016

Thursday, March 10	White Sox vs. Rangers	Fox Sports (SW)
Saturday, March 12	A's vs. Rangers	Texas Rangers Channel 21
Wednesday, March 16	Cubs vs. Royals	Comcast Chicago
Sunday, March 20	Angels vs. Rangers	Fox Sports (SW) & Fox Sports (West)
Monday, March 21	Rockies vs. Rangers	Fox Sports (SW)
Tuesday, March 22	Dodgers vs. Royals	Fox Sports Kansas City and Time Warner LA
Wednesday, March 23	Cubs vs. Rangers	Comcast Chicago and Fox Sports (SW)
Saturday, March 26	A's vs. Royals	Fox Sports Kansas City
Sunday, March 27	Diamondbacks vs. Rangers	Fox Sports (SW)
Tuesday, March 29	Giants vs. Royals	Fox Sports Kansas City

SPRING TRAINING REVENUE

SURPRISE
ARIZONA

2015 Tickets	2015 Concessions	2015 Merchandise	2015 Sponsorship	2015 Rent	2015 Programs
$3,126,480	$1,764,000	$ 911,180	$ 382,007	$146,414	$16,186
+11%	+13%	+3%	+4%	+.7%	+28%

2016 Tickets	2016 Concessions	2016 Merchandise	2016 Sponsorship	2016 Rent	2016 Programs
$3,921,586	$2,176,426	$1,246,726	$ 401,760	$149,050	$19,232
+25%	+23%	+37%	+5%	+1.8%	+19%

2014 GROSS SPRING TRAINING REVENUE: $5,788,444	+14% - 28 games
2015 GROSS SPRING TRAINING REVENUE: $6,346,267	+9% - 29 games
2016 GROSS SPRING TRAINING REVENUE: $7,914,780	+25% - 29 games

SPRING TRAINING PAYOUT 2016

SURPRISE
ARIZONA

2014 ATTENDANCE – 184,338	-3.6% - 28 games
2015 ATTENDANCE – 201,264	+9% - 29 games
2016 ATTENDANCE – 206,817	+3% - 29 games

Kansas City Royals Payout
$1,779,402
+33%

FY15 KC Payout
$1,333,410

Texas Rangers Payout
$1,244,882
+19%

FY15 TX Payout
$1,046,254

City Payout
$2,441,538
+24%

FY15 City Payout
$1,965,657

Questions or Comments?

Council Meeting Date:	August 16, 2016	Contact Person:	Bob Wingenroth, City Manager
Submitting Department:	City Mgr	District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Presentation and discussion pertaining to Ordinances # 2016-25 and #2016-26, formally creating an Audit Committee and Internal Audit Program, respectively.

Motion:

None; discussion only.

Background:

The City of Surprise is strengthening it's internal audit function. This item will consider finalizing the overall audit program.

Objective Analysis:

The purpose of the City Audit Program is to provide independent and objective assurance and non-auditing services on City Programs and activities to City Management and City Council. Services provided are designed to add value, improve the organizational operations, identify opportunities to minimize organizational risks, maximize efficiency and effectiveness, and strengthen public confidence and accountability.

Policy Compliant:

The proposed Ordinances are consistent with City and Council policies.

Financial Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have a financial impact to the City.

Budget Impact:

The FY2017 adopted budget includes funding for the internal auditor position.

FTE Impact:

No additional FTE's are required

ATTACHMENTS:

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- Presentation
- Ordinance 2016-26
- Ordinance 2016-25

City Audit Program

August 16, 2016

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Actions Requesting

Adoption of :

- Ordinance #2016-26
  Internal Audit Program

- Ordinance #2016-25
  Audit Committee

Professional Standards

- Institute of Internal Auditors (IIA)

  “Attribute Standard 1000 – Purpose, Authority, and Responsibility The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter…”

- Government Finance Officers Association (GFOA)

  “The governing body of every state and local government should establish an audit committee …”

  “The audit committee should be formally established by charter, enabling resolution, or other appropriate legal means…”

City Audit Program

Ordinance #2016-26

INTERNAL AUDIT PROGRAM

- Defines the purpose of the City Audit Program
- Identifies responsibilities of the Internal Auditor
- Protects the Internal Auditor's Independence
- Authorizes access to City records, property, information systems, and personnel
- ✓ Ensures compliance with Audit Standards & Best Practices

Ordinance #2016-25

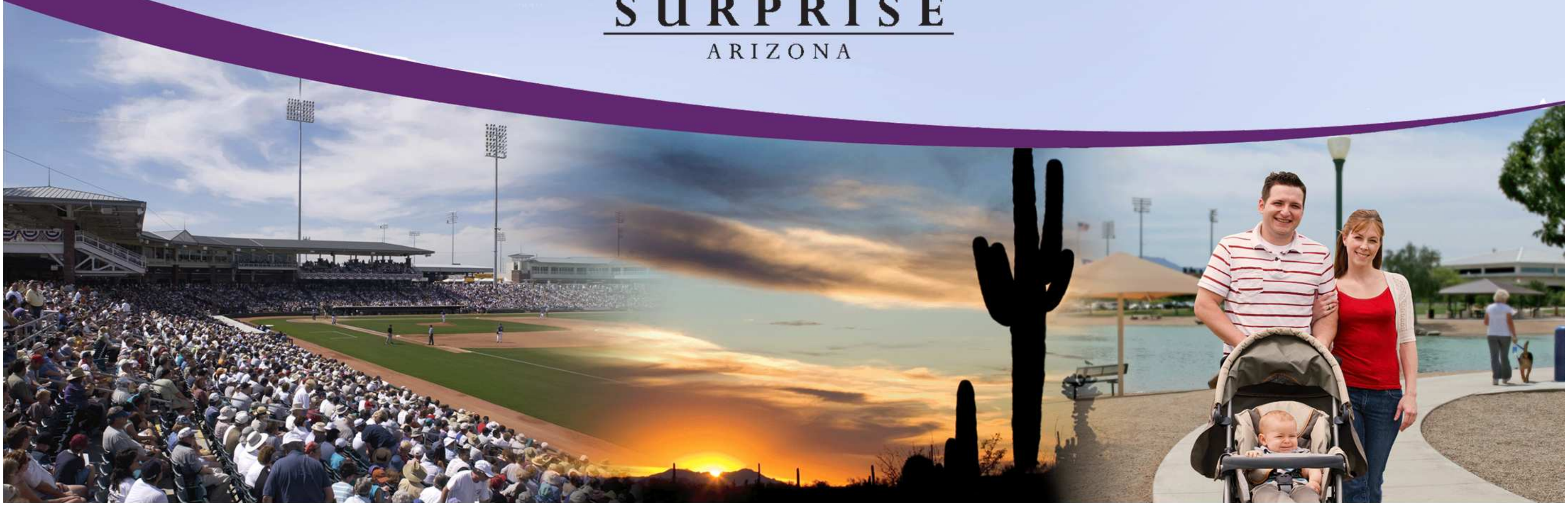
AUDIT COMMITTEE

- Establishes the oversight role and function
- Defines membership composition
- Authorizes the adoption of Bylaws
- Identifies general duties
- Establishes authority to perform duties and responsibilities
- ✓ Ensures compliance with Auditing Standards & Best practices

City Audit Program

August 16, 2016

SURPRISE
ARIZONA



ORDINANCE # 2016-26

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING CHAPTER 2 OF THE SURPRISE MUNICIPAL CODE BY ADDING ARTICLE XI, INTERNAL AUDIT PROGRAM; INCLUDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; AND REPEALING CONFLICTING ORDINANCES.

WHEREAS, the City of Surprise has maintained an internal auditor position since 2010 and is committed to support an internal audit program and internal auditor as a means to achieve an independent appraisal mechanism to evaluate city activities; and

WHEREAS, it is imperative to define the independence, scope of work, responsibility, access, standards, and authority of the City's internal auditor to ensure a continued meaningful and effective audit program.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. Chapter 2 of the Surprise Municipal Code is hereby amended by the addition of Article XI, Internal Audit Program.

Section 2. Chapter 2, Article XI, Internal Auditor, of the Surprise Municipal Code shall read as set forth in *Exhibit A*, attached hereto, and which by reference is adopted and made a part hereof as if fully set out in this ordinance.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of these amendments to the municipal code adopted herein is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion thereof.

Section 4. This ordinance will become effective at the time and manner prescribed by law and shall be codified at that time.

Section 5. All ordinances, resolutions or codes in conflict with the provisions of this Ordinance or the Code adopted herein are repealed upon the effective date of this Ordinance.

PASSED AND ADOPTED this _____ day of _____________, 2016.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

EXHIBIT A

CHAPTER 2- ADMINISTRATION

ARTICLE XI. – INTERNAL AUDIT PROGRAM

Sec. 2-363. – Purpose

The purpose of the City Audit Program is to provide independent and objective assurance and non-auditing services on City programs and activities to City Management and City Council. Services provided are designed to add value, improve the organizational operations, identify opportunities to minimize organizational risks, maximize efficiency and effectiveness, and strengthen public confidence and accountability.

Sec. 2-364- Establishment

There is hereby established an independent internal City Audit Program charged with conducting financial, performance, contract compliance, and internal control audits of all City of Surprise departments, programs, services, activities, boards, and commissions and reporting audit findings and recommendations to the directors of the affected departments, the City Manager, Audit Committee, and City Council. The Internal Auditor will be supported administratively by the City Manager and report functionally to the Audit Committee. The Internal Auditor will organize and administer the City Audit Program to operate without management interference and shall be provided with free and open access (except where limited by law) to all records, personnel, facilities, systems, and information necessary to carry out these duties.

Sec. 2-365- Standard of Audit Practice

The City Audit Program will meet the Government Auditing Standards (Yellow Book) published by the Comptroller General of the United States as demonstrated by undergoing a periodic external quality peer review assessment, not exceeding an interval of three years.

Sec. 2-367- Scope of City Audit Program

The scope of the City Audit Program will be adequately comprehensive to assist city management and the Audit Committee with determining whether the City's network of risk management, control, and governance processes, as designed and represented by city management, is adequate and functioning in a manner to ensure:

(a) Risks are appropriately identified and managed;

(b) Significant financial, managerial, and operating information is accurate, reliable, and timely;
(c) Employees' actions comply with policies, standards, procedures, and applicable laws and regulations;
(d) Resources are acquired economically, used efficiently, and adequately protected;
(e) Programs, plans, and objectives are achieved; and
(f) Quality and continuous improvement are fostered in the City's control process

Sec. 2-368- Independence of Internal Auditor

The internal auditor will report to the Audit Committee with respect to the adequacy and effectiveness of internal control systems, but is not intended to participate directly in the operation of those systems. The internal auditor is independent of city operations and as such has no responsibility for the management of city operations. The internal auditor will not conduct work where there is, or the appearance of, a conflict of interest.
To provide for the independence of the City Audit Program, the internal auditor will be supported administratively by the City Manager and functionally report to the Audit Committee.

Sec. 2-369- Responsibility of Internal Auditor

The internal auditor will periodically:
(a) Develop a flexible, risk-based internal annual audit plan including any risks or control concerns identified by city management. The plan will be and submitted to the Audit Committee for review and approval, as well as periodic updates;
(b) Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by city management and the Audit Committee;
(c) Evaluate the adequacy of actions taken by city management to correct reported deficiencies;
(d) Present final internal audit reports with management responses and action plans to the Audit Committee and applicable parties;
(e) Maintain and present to the Audit Committee a summary and status of open audit recommendations;
(f) Present an annual audit activity report summarizing the prior fiscal year accomplishments of the City Audit Program;
(g) Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.

Sec. 2-370- Access

The internal auditor will have unrestricted and independent access to, and the right to request meetings with, the Audit Committee. Additionally, the city auditor will have access, consistent with law, to all city records, property, information systems, and personnel necessary to accomplish the objectives related to approved annual audit plans.

ORDINANCE # 2016-25

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING CHAPTER 2, ARTICLE VIII OF THE SURPRISE MUNICIPAL CODE BY ADDING SECTION 2-304, AUDIT COMMITTEE, FORMALLY ESTABLISHING AN AUDIT COMMITTEE AND THE POWERS AND DUTIES THEREOF; INCLUDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; AND REPEALING CONFLICTING ORDINANCES.

WHEREAS, an independent audit committee is the preferable means for City Council to ensure independent review and oversight of the City's financial reporting processes as well as ensure management develops and adheres to a recognized system of internal controls and procedures that objectively assess management's practices;

WHEREAS, the Government Finance Officers Association (GFOA), among other professional financial oversight organizations, recommend as a best practice that an audit committee be formally established by appropriate legal means to provide independent oversight of governance, risk management, and internal control practices.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. Chapter 2, Article VIII of the Surprise Municipal Code is hereby amended by the addition of Section 2-304, Audit Committee.

Section 2. Chapter 2, Article VIII, Section 2-304 of the Surprise Municipal Code shall read as set forth in *Exhibit A*, attached hereto, and which by reference is adopted and made a part hereof as if fully set out in this ordinance.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of these amendments to the municipal code adopted herein is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion thereof.

Section 4. This ordinance will become effective at the time and manner prescribed by law and shall be codified at that time.

Section 5. All ordinances, resolutions or codes in conflict with the provisions of this Ordinance or the Code adopted herein are repealed upon the effective date of this Ordinance.

PASSED AND ADOPTED this _____ day of _____________, 2016.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

EXHIBIT A

CHAPTER 2- ADMINISTRATION

ARTICLE VIII. – BOARDS, COMMITTEES AND COMMISSIONS

Sec. 2-304. – Audit Committee

An Audit Committee is hereby established to provide advice to City Council in respect to fulfilling its oversight responsibilities regarding the integrity of the City's annual comprehensive financial statements. The Audit Committee will further assist and advise the Internal Auditor and City Council on matters relating to the City's compliance with legal and regulatory requirements, systems of internal controls, management of citywide risk environment and the performance of internal and external auditors. Consistent with this function, the Audit Committee will endeavor to encourage continuous improvement of, and adherence to, City policies, procedures and practices at all levels.

(a) *Membership.* The Audit Committee will be comprised of seven members consisting of the following:

(1) two City Council members;
(2) three residents of the city;
(3) two City Department executives.

For administrative purposes, the City Manager will facilitate the staffing of the Audit Committee.

All members will have knowledge of financial reporting, accounting, auditing, or relevant field(s) and familiarity with local governance and operations.

(b) *Bylaws.* To ensure independence and efficiency in the performance of its function, the Audit Committee is hereby authorized to adopt bylaws which will at a minimum include and address voting rights, meetings, and member terms. The bylaws may include any rules or policies which enable the Audit Committee to perform and carry out any of the duties enumerated herein.

(c) *General Duties*. The Audit Committee will periodically:

1. Evaluate significant risk exposures with the internal and external auditors and city management;
2. Review city efforts and programs designed to identify, monitor, control and report risk exposures, including an annual audit plan;
3. Review and make recommendations to relevant city policies, procedures, and practices;
4. Identify emerging issues and risk;

5. Review the internal annual audit plan and monitor any difficulties encountered during the annual audit;
6. In coordination with the Internal Auditor, review significant audit findings and monitor responses thereto;
7. Provide independent review and oversight of the internal and external auditor including any audits either performs;
8. Evaluate internal and external audits for performance and compliance with accepted professional standards;
9. Evaluate the sufficiency of the duties and authority provided by this Section and make recommendations for amendment.

(d) *Authority.* The Audit Committee is hereby authorized to take any action consistent with the performance of its duties, including but not limited to, conducting investigations into any matter within the scope of its duties.

CITY OF SURPRISE
Regular City Council Work Session

August 16, 2016 @ 4:30:00 PM

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Council Meeting Date:	August 16, 2016	Contact Person:	Michael Frazier, Assistant City Manager
Submitting Department:	City Manager Two	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Presentation and discussion pertaining to an update of the Bell and Grand Intersection Improvement Project and business outreach efforts.

Motion:

None, discussion only.

Background:

To improve congestion on Bell Road, the Arizona Department of Transportation (ADOT) is constructing a new Bell Road bridge over US 60 (Grand Avenue) and the adjacent railroad tracks. With this new interchange, through traffic on Grand Avenue will no longer stop at Bell Road. Instead, the two roadways will be connected via new on- and off-ramps constructed within the Grand Avenue median.

In order to reduce the project's length and lessen the overall impacts of construction, ADOT worked with the city of Surprise and local businesses to schedule a **full closure** of Bell Road between 134th Avenue and West Point Parkway. The closure began April 1, and is anticipated to reopen to traffic in time for the holiday shopping season in November.

Objective Analysis:

Policy Compliant:

Financial Impact:

It is anticipated that the Bell and Grand Intersection Improvement Project will reduce General Fund sales tax collections used for operating purposes by approximately $900,000. This will be offset by construction sales tax collections that are used for one time capital purposes.

Budget Impact:

None at this time as the financial impacts were included in the development of the FY2017 budget. Topics discussed could lead to future actions which may have a budget impact on city operations.

FTE Impact:

No additional FTE is required.

ATTACHMENTS:

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No Attachments Available