



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

Tuesday, March 21, 2017 @ 4:00 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 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.

E. Regular City Council Work Session Agenda:

Regular Agenda Item - Non-Public Hearing:

- | | | |
|----------------------|--|---|
| 1. District Citywide | Presentation and discussion by the 56 FW Commander, Brigadier General Brook Leonard, pertaining to an update on activities at Luke Air Force Base (AFB). | No Action
Paul
Bernardo,
Director-
Government
&
Community
Partnerships |
| 2. District Citywide | Discussion and presentation pertaining to the fiscal year 2018 budget. | No Action
Lindsey
Duncan,
Finance
Director and |

Jared
Askelson,
Assistant
Finance
Director

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.



CITY OF SURPRISE
Regular City Council Work Session

March 21, 2017 @ 4:00:00 PM

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Council Meeting Date:	March 21, 2017	Contact Person:	Paul Bernardo, Director-Government & Community Partnerships
Submitting Department:	City Mgr	District:	Citywide
Staff Recommendations:	No Action		

Consent	Regular	Public Hearing	Report/Discussion
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Agenda Wording:

Presentation and discussion by the 56 FW Commander, Brigadier General Brook Leonard, pertaining to an update on activities at Luke Air Force Base (AFB).

Motion:

None; discussion only.

Background:

As a primary community partner, representatives from Luke AFB periodically update the Council regarding activities on the base. This update will provide an overview of Luke AFB to include: leadership positions, demographics, F-35 transition update, critical mission elements, legislative protections, and an open comment/question and answer session.

Objective Analysis:

N/A

Policy Compliant:

This item is City and Council policy compliant.

Financial Impact:

None at this time; however, topics discussed in this work session could lead to future actions which may have a fiscal impact on city operations.

Budget 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 of Surprise.

FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

Click to download

No Attachments Available



CITY OF SURPRISE
Regular City Council Work Session

March 21, 2017 @ 4:00:00 PM

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Council Meeting Date:	March 21, 2017	Contact Person:	Lindsey Duncan, Finance Director and Jared Askelson, Assistant Finance Director
Submitting Department:	Finance Dept	District:	Citywide
Staff Recommendations:	No Action		

Consent	Regular	Public Hearing	Report/Discussion
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Agenda Wording:

Discussion and presentation pertaining to the fiscal year 2018 budget.

Motion:

None, discussion only.

Background:

This is the fourth in a series of presentations regarding the development of the FY2018 Budget. This presentation will focus on the Capital Improvements for the upcoming fiscal year. This will include discussion about the asset and vehicle replacements as well as pavement preservation.

Objective Analysis:

The information presented will lead to future discussions around the FY2018 budget and will assist the Mayor and City Council with making informed decisions about future operations.

Policy Compliant:

This presentation is consistent with City and Council policy.

Financial Impact:

The information presented is intended to encourage discussion which may have an impact on future operations.

Budget Impact:

The information presented is intended to encourage discussion which may have an impact on the FY2018 budget.

FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

Click to download

☐ [Capital Improvements Presentation](#)



Capital Improvements

City Council Work Session

March 21, 2017

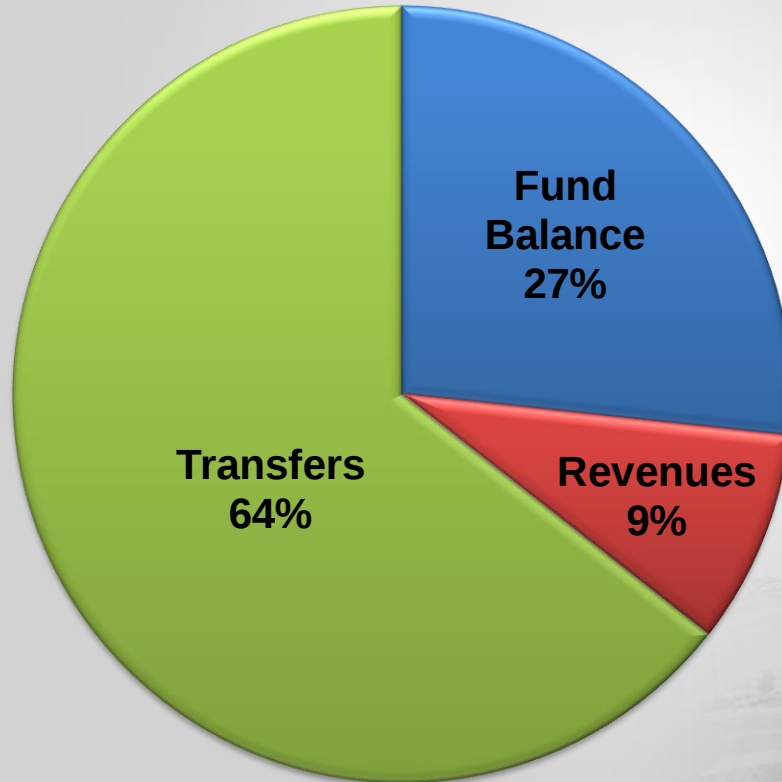
Capital Improvements

- Identify Capital Improvements
- Review Capital Sources
- Review Project Priorities by Category

Capital Improvements

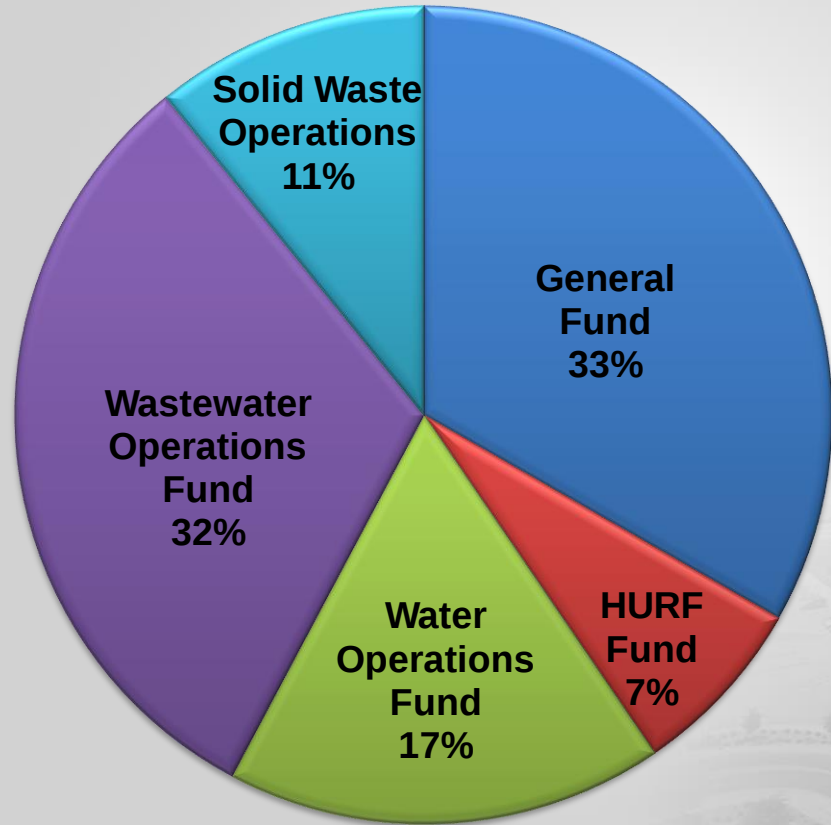
- Capital Projects
 - Greater than \$100,000
 - Useful life of at least three years
- Asset Replacement/Maintenance
 - Pavement Preservation
 - Vehicle Replacement
 - Citywide assets

FY2017 Capital Sources



**FY2017 Capital
Sources by Category
Total \$53.0 million**

FY2017 Capital Sources – Transfers



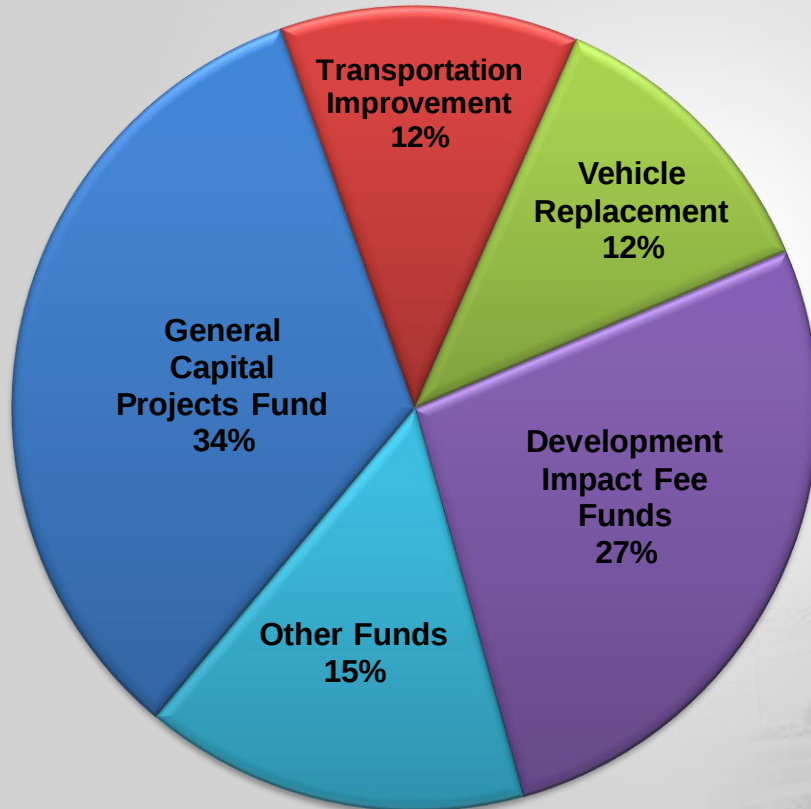
**Capital Sources
Transfers
Total \$34.1 million**

FY2017 Capital Sources – Transfers

Transfers	Ongoing	One Time
General Fund	\$1.0M	\$10.4M
HURF	1.0M	1.5M
Water Operations Fund	1.8M	4.0M
Wastewater Operations Fund	-	10.7M
Solid Waste Operations	-	3.7M
Total	\$3.8M	\$30.3M

**Capital Sources
Transfers
Total \$34.1 million**

FY2017 Capital Sources – Fund Balance



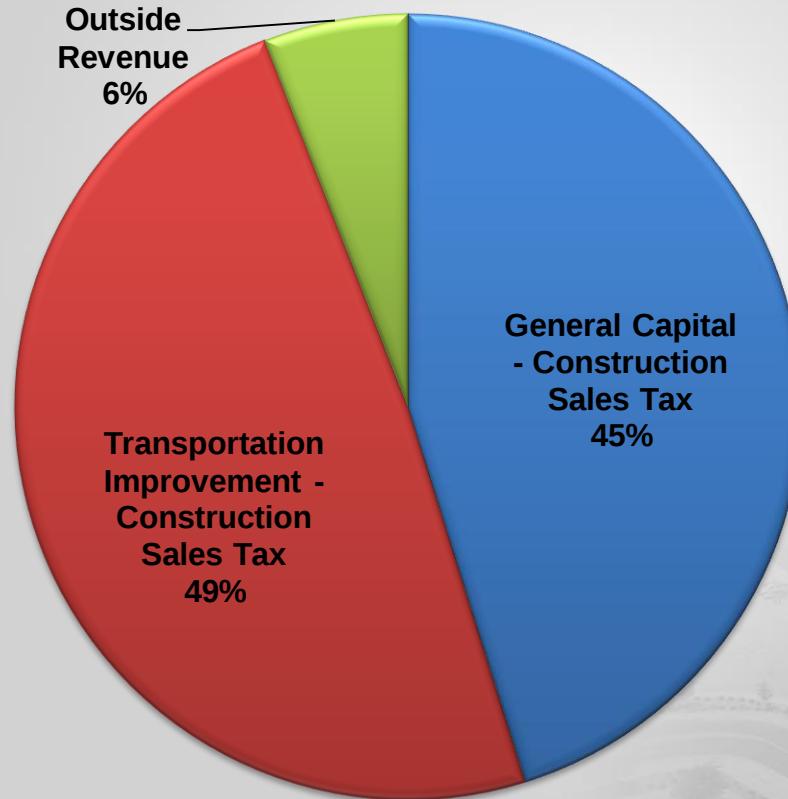
**Capital Sources
Fund Balance
Total \$14.2 million**

FY2017 Capital Sources – Fund Balance

Fund	Carryforward	Total	% CF
General Capital	\$4.8M	\$4.8M	100%
Transportation Improvement	1.5M	1.7M	90%
Vehicle Replacement	1.7M	1.7M	100%
Development Impact Fees	3.4M	3.8M	88%
Other Funds	2.2M	2.2M	100%
Total	\$13.6M	\$14.2M	96%

\$0.6M of Capital fund balance used for new FY2017 projects

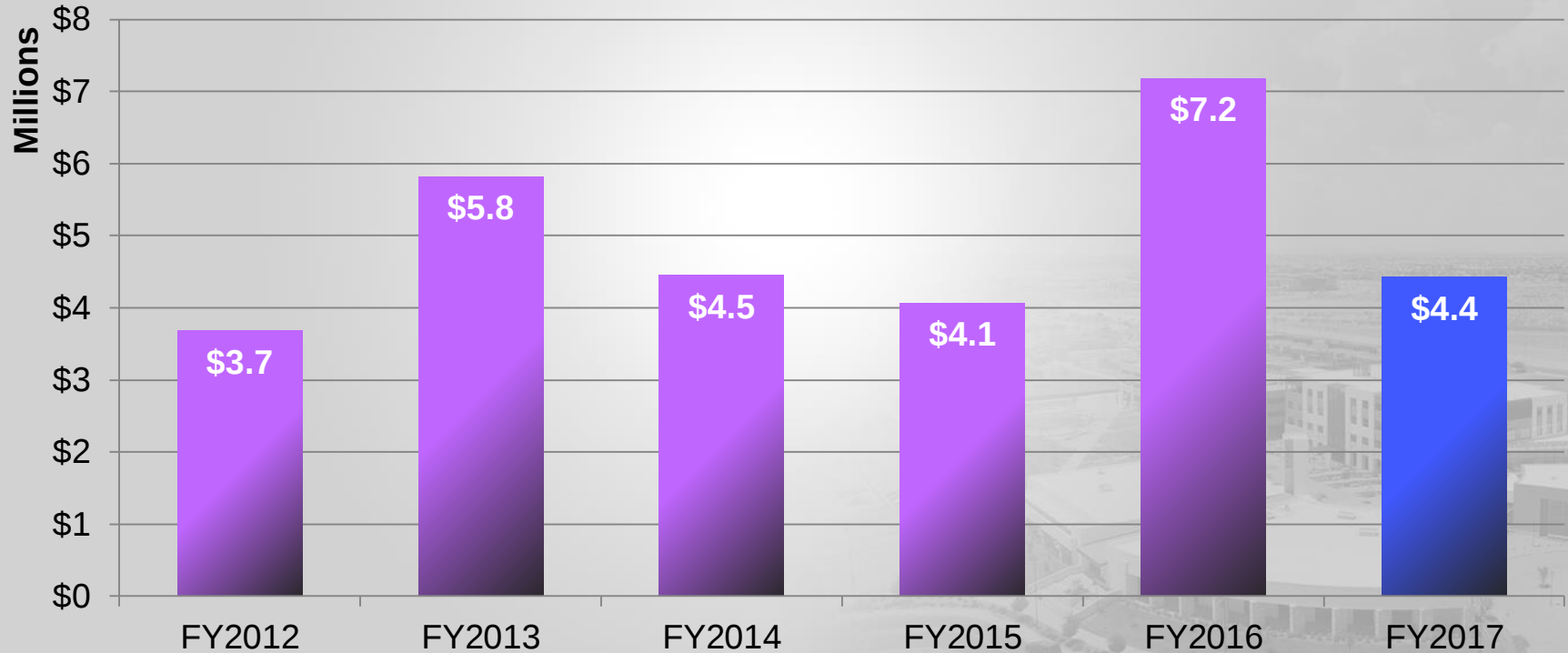
FY2017 Capital Sources – Revenues



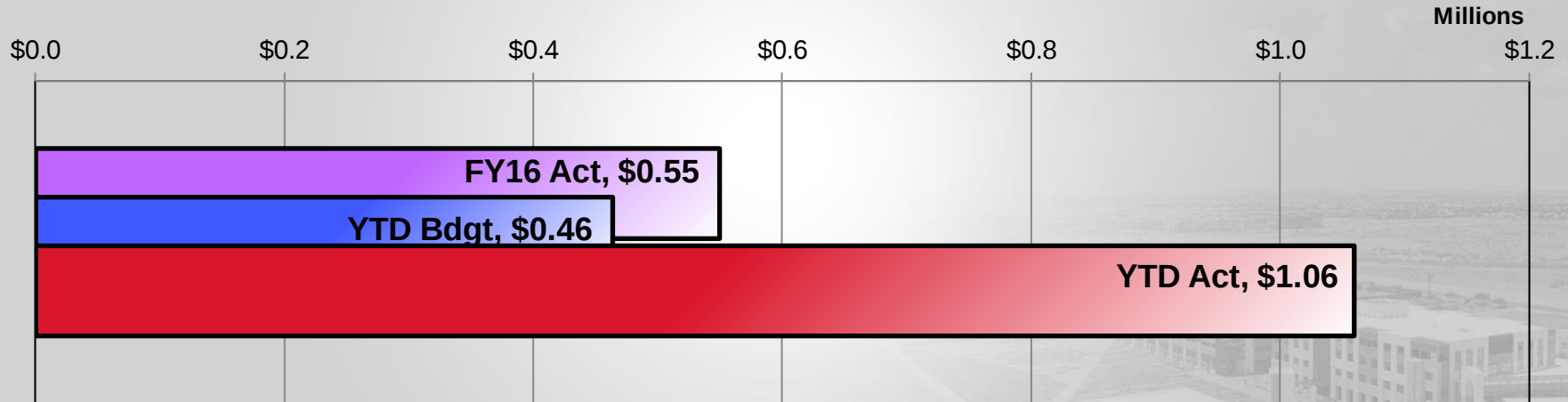
**Capital Sources
Revenues
Total \$4.7 million**

Construction Sales Tax

(Excludes General Fund)

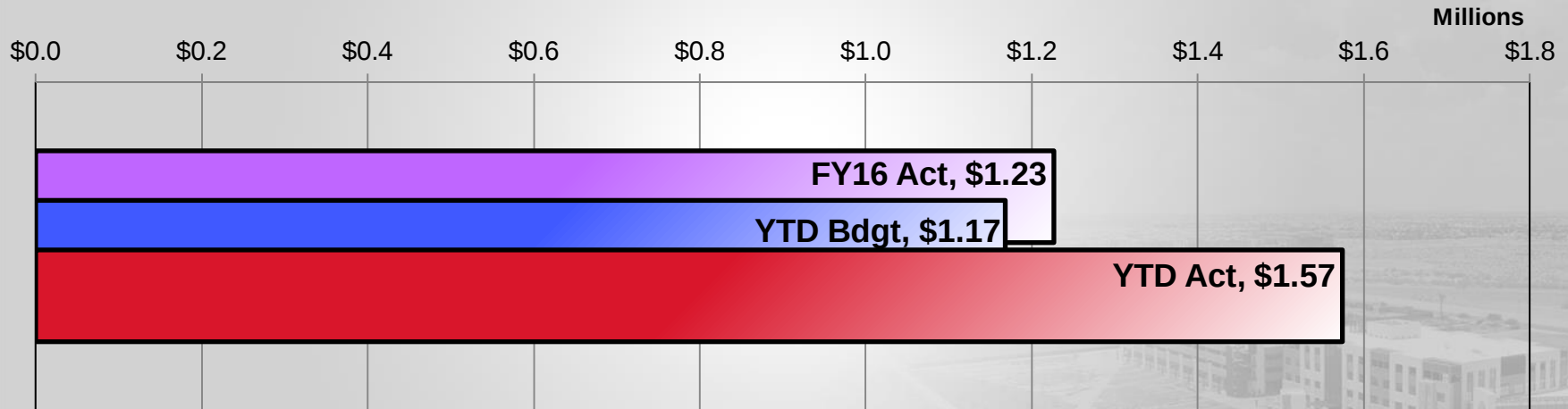


General Capital Fund Construction Sales Tax



- Actuals exceed budget by \$0.6M
 - Collections through December

Transportation Improvement Construction Sales Tax



- Actuals exceed budget by \$0.4M
 - Collections through December

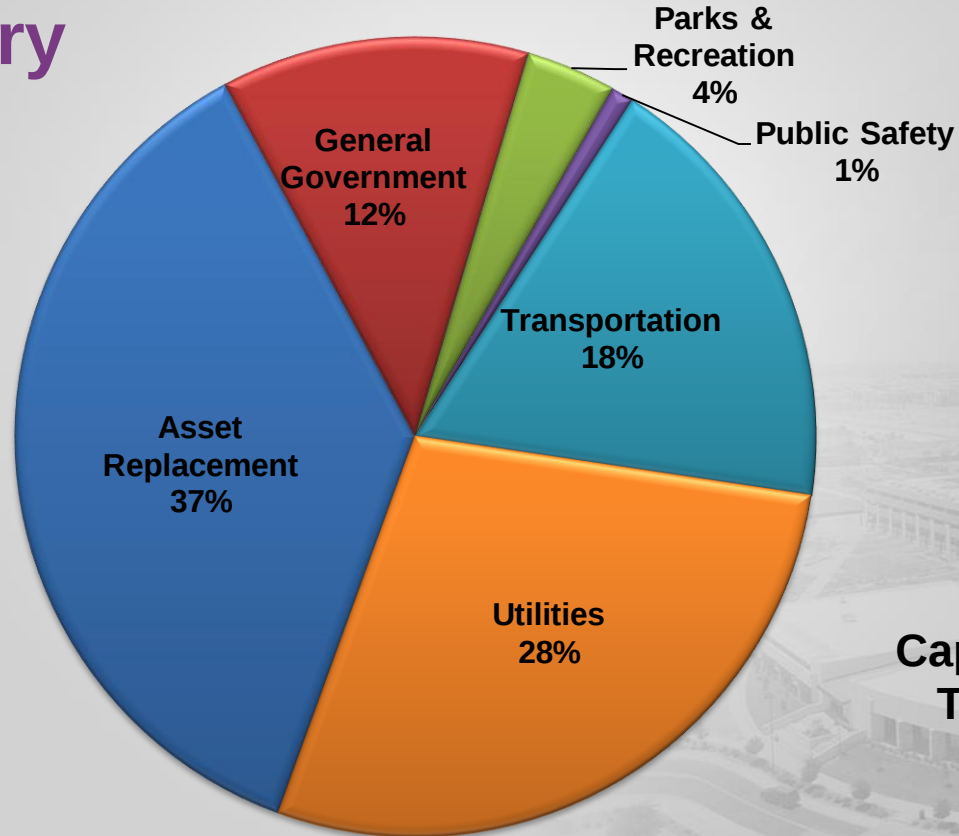
Development Impact Fees (DIF)

- Collected on issuance of a building permit
- Restricted use
 - By project type (Police, Fire, Parks, Water, Wastewater)
 - New growth only
 - Debt service responsibilities
- New study will ensure correct projects and pricing
- Key revenue driver is growth

FY2017 Development Impact Fees

Development Impact Fees	Budgeted Revenues	Debt Service	For DIF Study Projects
General Government	\$0.7M	\$0.7M	-
Fire	1.5M	0.8M	\$0.7M
Police	0.3M	0.3M	-
Parks	0.4M	0.4M	-
Water Systems	0.3M	-	0.3M
Water Resource	0.2M	-	0.2M
Wastewater	1.5M	4.5M	-
Total	\$4.9M	\$6.7M	\$1.2M

FY2017 Capital Improvement Uses By Category

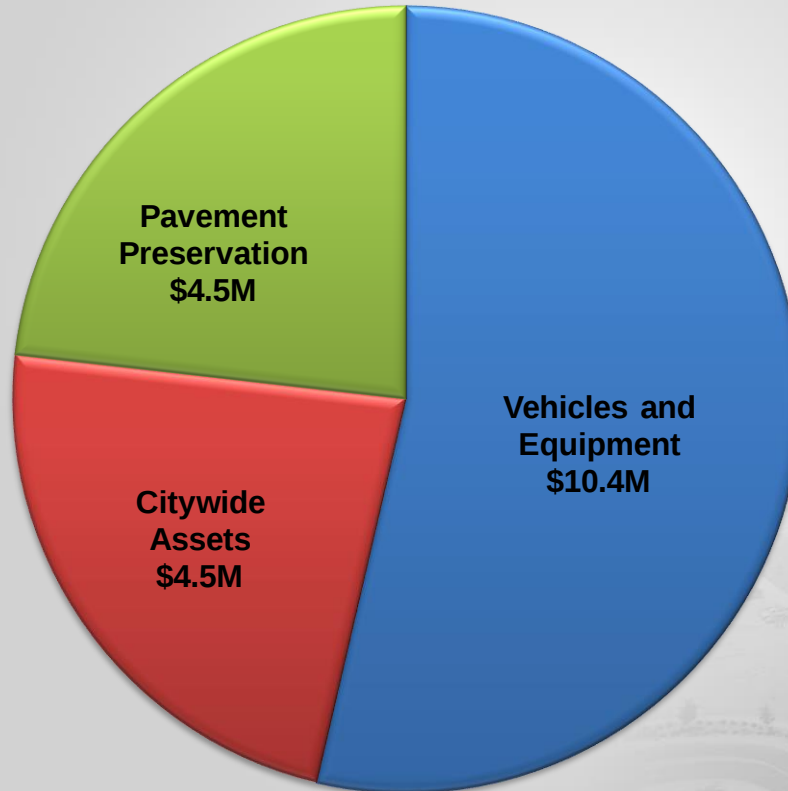


**Capital Improvements
Total \$53.0 million**

Asset Replacement

- Available funding sources
 - Revenue
 - Construction Sales Tax
 - General Capital and Transportation Improvement
 - Transfers
 - General Fund
 - Highway User Revenue
 - Solid Waste
 - Stormwater
 - Water
 - Wastewater

FY2017 Asset Replacement



**Asset Replacement
Total \$19.4 million**

Public Safety

- Available funding sources
 - Revenue
 - Construction Sales Tax
 - General Capital Fund
 - Development Impact Fees
 - Fire (Two projects)
 - Transfers
 - General Fund

	Public Safety	Project Amount	Available DIF	Net Operating Costs
1	Court ADA Automatic Door Controllers	\$ 0.1M	-	-
2	Property and Evidence Facility	5.5M	-	\$ 60K
3	Ambulance #3 / Fire Station 303 Remodel	0.4M	-	-
4	Ambulance #4	0.3M	-	-
5	Public Safety Logistics Center	2.8M	-	60K
6	Land-Police Substation/Fire & Park	4.0M	-	5K
7	Police Training Facility	2.4M	-	0.1M
8	District Fire Station 304	8.9M	-	56K
9	Fire Station 308	7.0M	\$1.4M	1.6M
10	On-Site Fuel Management Project	0.1M	-	20K
	Total	\$31.5M	\$1.4M	\$1.9M

Transportation

- Available funding sources
 - Revenue
 - Construction Sales Tax
 - General Capital Fund, Transportation Improvement
 - Development Impact Fees
 - 163rd Avenue
 - Fund Balance
 - Development Impact Fees
 - Public Works, Roads of Regional Significance
 - Transfers
 - General Fund
 - Highway User Revenue

	Transportation	Project Amount	Available DIF	Net Operating Costs
1	Bell Road Adaptive Signal Control Technology	\$ 25K	-	-
2	Bullard Ave (Greenway to Peoria)	0.8M	-	\$ 60K
3	Surprise Long Range Transit Plan Update	0.3M	-	-
4	Litchfield Road (Sweetwater to Desert Cove)	3.4M	-	40K
5	Greenway Rd (Cotton to Sarival)	5.1M	-	40K
6	Waddell Rd (Cotton to Reems)	7.0M	-	80K
7	Cactus Rd (Cotton to Reems)	7.4M	-	80K
8	SR303 Design Concept Report	0.2M	-	-
9	Happy Valley Rd (163rd-Eastern Limits)	11.9M	-	120K
10	163rd Ave (Grand to Jomax)	11.3M	\$2.5M	120K
	Total	\$47.4M	\$2.5M	\$540K

Parks and Recreation

- Available funding sources
 - Revenue
 - Construction Sales Tax
 - General Capital Fund
 - Fund Balance
 - Development Impact Fees
 - Library
 - Transfers
 - General Fund

	Parks and Recreation	Project Amount	Available DIF	Net Operating Costs
1	Rancho Mercado Park	\$ 3.4M	-	\$0.1M
2	City Library #3	10.0M	\$4.6M	1.7M
3	Community Park - Prasada	6.5M	-	0.2M
4	Competitive Aquatic Facility	10.0M	-	0.5M
5	Field House	30.6M	-	0.8M
6	Tennis Court Lighting	0.3M	-	-
7	McMicken Dam Trailhead	1.5M	-	0.1M
8	Park/Campus Maintenance Facility Expansion	2.1M	-	13K
9	McMicken Dam Open Space Conservation	0.6M	-	0.1M
10	Boiler Retrofit Hollyhock Pool	0.1M	-	0.1M
	Total	\$65.1M	\$4.6M	\$3.6M

General Government

- Available funding sources
 - Revenue
 - Construction Sales Tax
 - General Capital Fund
 - Fund Balance
 - Development Impact Fees
 - Public Works
 - Transfers
 - General Fund

	General Government	Project Amount	Available DIF	Net Operating Costs
1	Network Microsegmentation	\$ 0.3M	-	\$10K
2	Public Works Yard	11.8M	\$7.2M	65K
3	Central Utility Plant 3rd Chiller	0.4M	-	-
4	Facilities Maintenance Warehouse/Shop	1.0M	-	-
5	Work Order System Needs Assessment	0.1M	-	-
6	TechCelerator Parking/Grounds Improvements	0.3M	-	-
7	Westgate Public Works Yard Enhancement	0.9M	-	-
8	TechCelerator Building Improvement	0.8M	-	-
9	Gap Study Update	0.1M	-	-
10	City Entry Monuments Phase II	0.5M	-	10K
	Total	\$16.2M	\$7.2M	\$85K

Water

- Available funding sources
 - Revenue
 - Development Impact Fees
 - Water (Two projects)
 - Water Resources
 - Central Arizona Project Allocation
 - Transfers
 - Water Fund

	Water	Project Amount	Available DIF	Net Operating Costs
1	Central Arizona Project Allocation	\$ 2.5M	\$0.7M	-
2	Water Acquisitions	2.0M	-	-
3	Desert Oasis WSF– Arsenic Treatment Phase 2	1.6M	0.1M	\$10K
4	Combine Water Transmission System	2.8M	-	-
5	SPA 1 Rancho Gabriela WSF – Arsenic	2.0M	-	-
6	Combine Water Trans System Phase 2	4.0M	-	-
7	SPA 1 Rancho Gabriela Agriculture Well	4.5M	-	20K
8	Interconnect with EPCOR Surface Water	3.3M	-	-
	Total	\$22.7M	\$0.8M	\$30K

Wastewater

- Available funding sources
 - Revenue
 - Development Impact Fees
 - Wastewater (Two projects)
 - Transfers
 - Wastewater Fund

	Wastewater	Project Amount	Available DIF	Net Operating Costs
1	SPA1 Recharge Expansion	\$ 8.1M	-	\$0.1M
2	SPA 2 Recharge Expansion	8.2M	-	0.1M
3	SPA1 WRF North Entry Gate Wall	0.9M	-	-
4	Solar Biosolids Dryer	0.8M	-	20K
5	Digester Modifications	5.0M	-	0.1M
6	South Plant Ops Building Remodel	2.3M	-	-
7	Install Influent Pipeline	0.2M	-	-
8	SPA 2 WRF Land Purchase	3.3M	-	-
9	Partial Closure of Plants 1 & 2-Basin	0.1M	-	-
10	Cover Disk Filter Area	0.8M	-	-
	Total	\$29.7M	-	\$0.3M

Stormwater

- Available funding sources
 - Revenue
 - Construction Sales Tax
 - General Capital Fund
 - Transfers
 - General Fund
 - Stormwater Fund

	Stormwater	Project Amount	Available DIF	Net Operating Costs
1	107th and Union Hills Drainage	\$2.3M	-	\$16K
2	Peoria & Litchfield Drainage Improvement	0.3M	-	10K
3	Reems Rd Flooding (Cactus & Waddell)	0.4M	-	21K
4	Greasewood St & Lizard Acres Wash	0.3M	-	10K
5	Paradise Ln & El Mirage Rd. OTS	0.9M	-	10K
6	Santa Fe Dr OTS Drainage Improvement	0.4M	-	10K
7	Greenway Rd. OTS Drainage Improvement	0.3M	-	3K
8	Peoria & Sarival Drainage Improvement	0.3M	-	10K
9	Cotton Ln (Greenway Rd-Peoria Ave)	3.3M	-	30K
10	Waddell Rd Cotton Ln-175th Drainage	0.3M	-	10K
	Total	\$8.8M	-	\$130K

Upcoming Calendar

- City Manager's Recommended Budget April 18
- Tentative Budget adoption May 2
- Final Budget adoption June 6
- Property Tax Levy adoption June 20



SURPRISE

ARIZONA

**QUESTIONS OR
COMMENTS?**

Thank You