



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

Tuesday, January 17, 2017 @ 5:00 PM
COUNCIL CHAMBERS

[← Back](#) [Print](#)

- 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 Discussion pertaining to recent activities and accomplishments of the Surprise Regional Chamber of Commerce, as well as anticipated programs in the future. | No Action
Jeanine
Jerkovic,
Economic
Development
Director |
| 2. | District Citywide Discussion pertaining to an update of Bell/Grand. | None
Karl Zook,
Public
Works
Department |
| 3. | District Internal Discussion pertaining to the impact of the 2016 passage of Arizona | None |

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

January 17, 2017 @ 5:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	January 17, 2017	Contact Person:	Jeanine Jerkovic, Economic Development Director
Submitting Department:	Econ Development	District:	Citywide
Staff Recommendations:	No Action		

Consent	Regular	Public Hearing	Report/Discussion
---------	---------	----------------	-------------------

Agenda Wording:

Discussion pertaining to recent activities and accomplishments of the Surprise Regional Chamber of Commerce, as well as anticipated programs in the future.

Motion:

None

Background:

The City of Surprise entered into a multi-year membership and facility use agreement last year, December 1, 2015, with the Surprise Regional Chamber of Commerce through June 30, 2019, funded annually subject to budget appropriations. The Economic Development Department is working closely with the Surprise Regional Chamber of Commerce to provide regular updates to City Council on the partnership, accomplishments and on any upcoming programming expected.

Objective Analysis:

This workshop update will assist City Council in monitoring the progress of the membership agreement.

Policy Compliant:

This workshop update is consistent with City and Council policy.

Financial Impact:

This item is for discussion purposes only and does not change the financial impact on the city. The annual cost through FY2019 associated with the agreement between the City of Surprise and the Surprise Regional Chamber of Commerce is \$25,000.

Budget Impact:

Funding for the annual agreement is budgeted within the Economic Development's General Fund services budget.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

[Click to download](#)

No Attachments Available



CITY OF SURPRISE
Regular City Council Work Session

January 17, 2017 @ 5:00:00 PM

[Back](#) [Print](#)

Council Meeting Date:	January 17, 2017	Contact Person:	Karl Zook, Public Works Department
Submitting Department:	Public Works	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion
---------	---------	----------------	-------------------

Agenda Wording:

Discussion pertaining to an update of Bell/Grand.

Motion:

N/A

Background:

At the December 20, 2016 Council Meeting, Council Members Tande & Williams requested a Bell/Grand Update.

Objective Analysis:

Policy Compliant:

Financial Impact:

For FY2017, it was anticipated that the Bell and Grand Intersection Improvement Project would reduce General Fund sales tax collections used for operating purposes by approximately \$477,700. This amount would be offset in part by construction sales tax collections which 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:

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

January 17, 2017 @ 5:00:00 PM

Back Print

Council Meeting Date:	January 17, 2017	Contact Person:	Bob Wingenroth, City Manager
Submitting Department:	Human Resources	District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion
---------	---------	----------------	-------------------

Agenda Wording:

Discussion pertaining to the impact of the 2016 passage of Arizona Ballot Proposition 206, also known as the Fair Wages & Healthy Families Act, on the City of Surprise.

Motion:

None; discussion only.

Background:

November 2016 election results passed Arizona Ballot Proposition 206, creating "The Fair Wages & Healthy Families Act". This establishes a new state minimum wage of \$10.00 in 2017, \$10.50 in 2018, \$11.00 in 2019 and \$12.00 in 2020. Also created is a required employer provided "earned paid sick leave" for any employee. Beginning July 1, 2017 employees must earn at least 1 hour of sick time for each 30 hours worked.

Objective Analysis:

The minimum wage change will require no action by the City in 2017, for the new rate of \$10.00 per hour. The City will be required to amend current leave policies within the employee policy manual to account for the required "sick leave" accrual which currently part-time and seasonal employees are not eligible to receive. Policies will be developed to comply with the requirements of this new law.

Policy Compliant:

Current policies related to compensation and leave accrual meet all requirements for the City's "Full-time" employees. Modifications to policy for leave accrual will be made to meet the mandatory requirements related to "Part-time" and seasonal employees, effective July 1, 2017.

Financial Impact:

The City of Surprise will not be required to take any action in 2017 with any existing pay plans related to the increase in minimum wage to \$10.00 per hour. Each year in the future, existing pay plans will be evaluated to identify any impacts that may occur as a result of that year's minimum wage increase.

The addition of a "sick leave" accrual program for part-time employees, to include seasonal employees, will be developed in compliance with the law. This new law permits certain restrictions which can be applied to mitigate fiscal impacts. These types of parameters can be applied to a new part-time employee sick leave accrual program. Any unfunded liabilities which develop from these legal requirements will be recognized in the "sick leave" hours which can be accrued, but only used by the employee in compliance with the stipulations of the law.

Budget Impact:

The City currently meets the 2017 minimum wage requirement, therefore there will be no impact to the FY2017 budget. Impacts to future fiscal years will be incorporated as part of the annual budget adoption process.

FTE Impact:

This item does not impact the overall full-time equivalent count.

ATTACHMENTS:

Click to download

- ☐ [Presentation](#)
 - ☐ [Executive Summary-Impacts of Prop 206](#)
-



Arizona Ballot Proposition 206

The Fair Wages and Healthy Families Act

City Manager January 17, 2017

The Fair Wages and Healthy Families Act

OUTCOMES

**AZ Minimum Wage increases from \$8.05 per hour
in four steps**

- **2017 - Increase to \$10.00**
- **2018 - Increase to \$10.50**
- **2019 - Increase to \$11.00**
- **2020 - Increase to \$12.00**

**The City of Surprise will not be required to take action in 2017
as no existing position falls below \$10.00 per hour.**

The Fair Wages and Healthy Families Act

SICK LEAVE ACCRUAL

Effective July 1, 2017 ALL employees must receive at least one (1) hour of sick leave per 30 hours worked.

Current Paid Time Off (PTO) policies in the City for Full-Time Employees exceeds the minimum requirements of FWHFA. No changes will be made.

Part-Time Employees of the City which do not currently receive any type of leave accrual will be eligible for 1 hour of sick leave accrual per 30 hours worked.

The Fair Wages and Healthy Families Act

CHANGES TO COME

- **Amendments to the City Manager's policies within the Employee Policy Manual will be made to comply with FWHFA.**
- **A part-time employee sick leave accrual program will be established.**
 - **Accrual may cap at 40 hours**
 - **At separation of employment, part-time employees would not be eligible to receive compensation (cash out) of unused accrued sick leave.**



SURPRISE
ARIZONA

**QUESTIONS OR
COMMENTS?**

Thank You

Memorandum

To: Bob Wingenroth, City Manager

From: Mark Schott, HR Director

Date: January 5, 2017

Re: Executive Summary: Impacts of AZ Proposition 206

Subject Matter:

The adoption of Arizona Ballot Proposition 206 increases the state's current hourly minimum wage of \$8.05 per hour in a four step process to \$12.00 per hour in 2020. The rate thereafter increases in each subsequent year by the cost of living. Additionally, beginning July 1, 2017, employers are required to provide employees a minimum of 1 hour of paid sick leave per 30 hours worked. This entire act is now known as "The Fair Wages and Healthy Families Act" (FWHFA).

Impacts:

The established adjustments of the minimum wage under the FWHFA are spread over calendar years in the following manner:

- 2017 - Increase to \$10.00
- 2018 - Increase to \$10.50
- 2019 - Increase to \$11.00
- 2020 - Increase to \$12.00

The July 1, 2017 requirements for sick leave accrual of one (1) hour per 30 hours worked under the FWHFA will have the following parameters:

- Accrual of sick leave hours may cap at 40 hours;
- Any balance (up to 40 hours) will roll over each calendar year, but still retain at a cap of 40 hours;
- At separation of employment, employees receiving a sick leave benefit under the FWHFA are **not entitled** to be paid out for unused accrued leave.
- Employees who return to work within 9 months after separation from employment will have their prior balance of unused accrued sick leave reinstated.

Conclusions:

Minimum Wage Increase: The City of Surprise has no current positions, either full time or part time, which have an hourly wage of less than \$10.00 per hour. The lowest hourly wage currently included in city pay plans is contained within the "Seasonal Pay Plan" at a rate of \$10.35. The City will not be impacted by the 2017 increase to \$10.00 per hour.

Sick Leave Accrual: A provision provided within Proposition 206 allowed for; *“Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under this section is not required to provide additional paid sick time.”* All City “full-time” employees that accrue Paid Time Off (PTO) as a benefit already exceed the minimum thresholds of required leave pursuant to the FWHFA mandate. Therefore no modifications to our current policies will be required to comply with the FWHFA for employees in these categories.

“Part-time” employees, including seasonal employees, that do not currently receive any type of “leave benefit” will be eligible under the FWHFA to receive the one (1) hour of accrued sick leave for every 30 hours worked. The City currently has approximately 16 part-time “regular” employees. Part-time “seasonal” employees can vary greatly in peak periods, such as spring training or summer recreation in CRS. At times, part-time seasonal employees being compensated can reach 150 to 200. It should be noted that after these peak periods many of the seasonal employees are no longer scheduled for work hours and if separated, would not receive any compensation for unused accrued leave.

Recommendations:

Minimum Wage: As described previously, the City will not be required to take any action in 2017 to comply with the FWHFA's minimum wage increase to \$10.00 per hour. The Human Resources Department will continue to proactively evaluate all pay plans within the organization in advance of each calendar year, to identify any impact which may occur as a result of the FWHFA's scheduled minimum wage increase requirement for that year. All changes made to pay plans, such as adjustments due to cost of living or market, will be evaluated in this process as well to identify impacts related to the minimum wage adjustments.

Leave Accrual: In early 2017 the Human Resources Department will present the City Manager with proposed policy amendments to comply with the requirements of the FWHFA. The development of a “leave accrual” for part-time employees that can be administered from a programming perspective within our Munis Payroll System is being explored to create a leave accrual program, which will meet the requirements of the FWHFA. Policy development will also occur to ensure compliance while establishing parameters and fiscal responsibility. Existing parameters in the act such as a “cap” of 40 hours and “ineligibility for cash out” at the time of separation may mitigate unfunded liabilities when establishing a separate part-time leave accrual system.