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

Tuesday, February 20, 2018 @ 4:00 PM
Amended item #1 2/16/18 at 11:55 AM

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 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	Discussion and presentation pertaining to the fiscal year 2019 budget with an overview on the HURF and Utility Enterprise Funds.	None Lindsey Duncan, Finance Director
2.	District Citywide	Discussion and presentation pertaining to a City of Surprise Transit Feasibility Study and Implementation Plan.	None Martin Lucero - Community Development
3.	District Citywide	Discussion and presentation pertaining to the DRAFT Arts and Culture Master Plan and announcing public outreach dates.	None Joshua Mike

- Community Development

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: February 16, 2018 at 11:55 AM

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

February 20, 2018 @ 4:00:00 PM

Back Print

Council Meeting Date:	February 20, 2018	Contact Person:	Lindsey Duncan, Finance Director
Submitting Department:	Finance Dept	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Discussion and presentation pertaining to the fiscal year 2019 budget with an overview on the HURF and Utility Enterprise Funds.

Motion:

None, discussion only.

Background:

This is the second in a series of presentations regarding the development of the FY2019 Budget. This presentation will focus on the operations of the Water, Wastewater, Stormwater, and Solid Waste utilities as well as the Highway User Revenue Fund (HURF).

Objective Analysis:

The information presented will lead to future discussions around the FY2019 budget and will assist the 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 FY2019 budget.

FTE Impact:

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

ATTACHMENTS:

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PRESENTATION

SURPRISE
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Utility Enterprise and Highway User Revenue Fund (HURF) Operations

City Council Work Session

February 20, 2018

Utility Enterprise and HURF Operations

- Review each fund
  - Purpose, size, rates
- Discuss sources
  - Review FY2018 financial performance
- Discuss uses
- Key issues
- Utility rate study

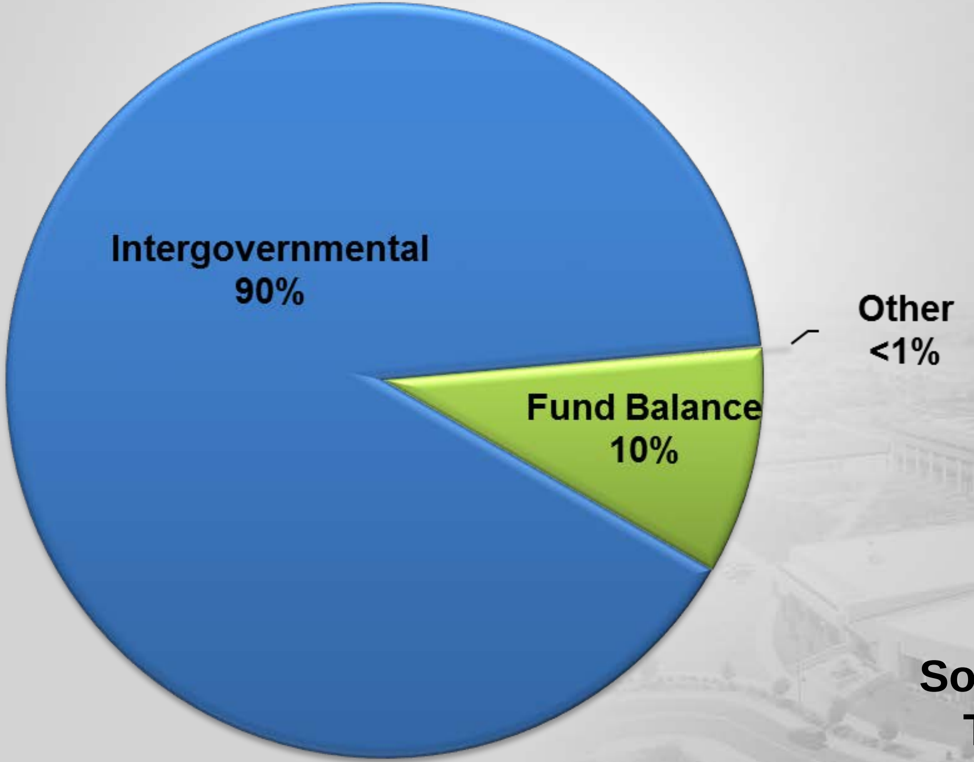
Highway User Revenue Fund (HURF)

- Special Revenue Fund
  - Restricted funds
  - Must be used for street and highway purposes

- 2nd Largest Special Revenue Fund
  - 3% of the total expenditure budget
  - 4% of the operating expenditure budget
  - 3% of the personnel costs
  - Supports 6% of the capital outlay budget

- Reserves
  - Included in the General Fund reserve calculation

HURF Sources



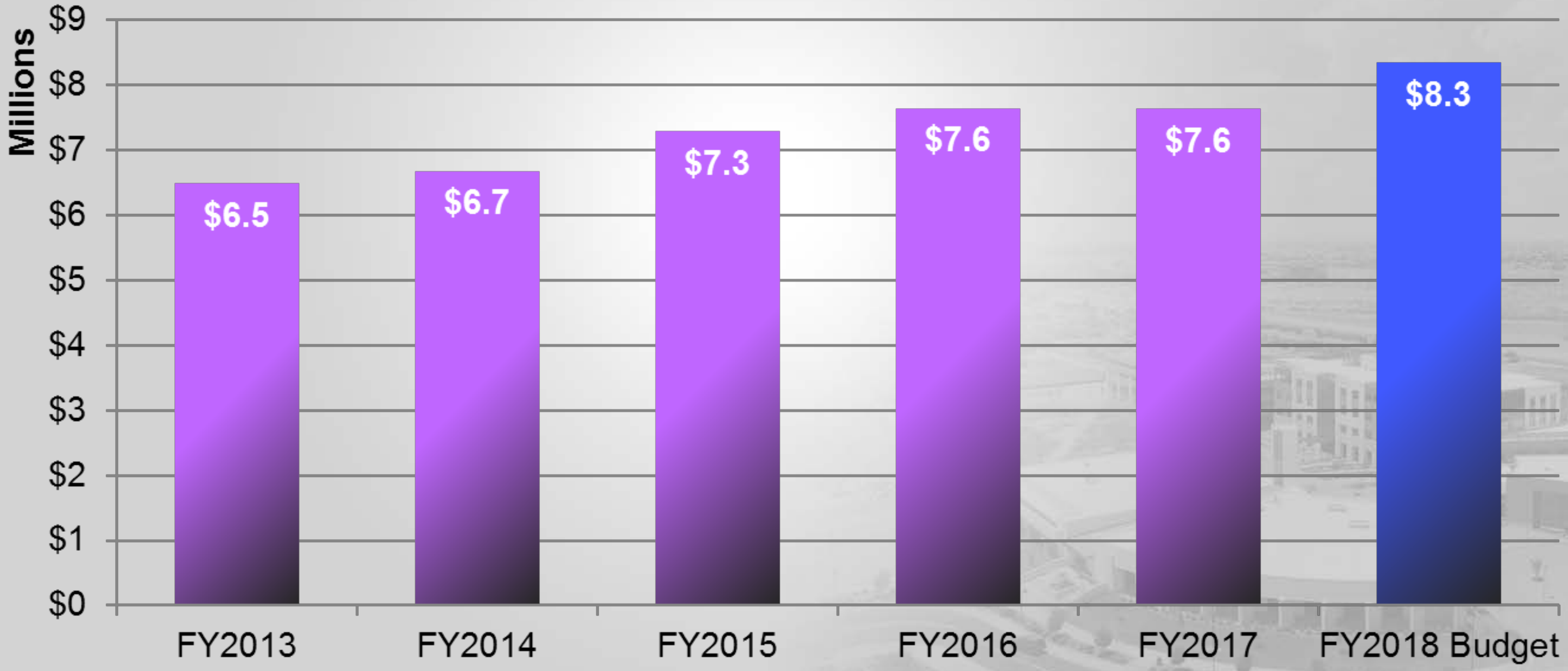
FY2018 HURF Sources by Category Total $9.3 million

Highway User Revenue Fund (HURF)

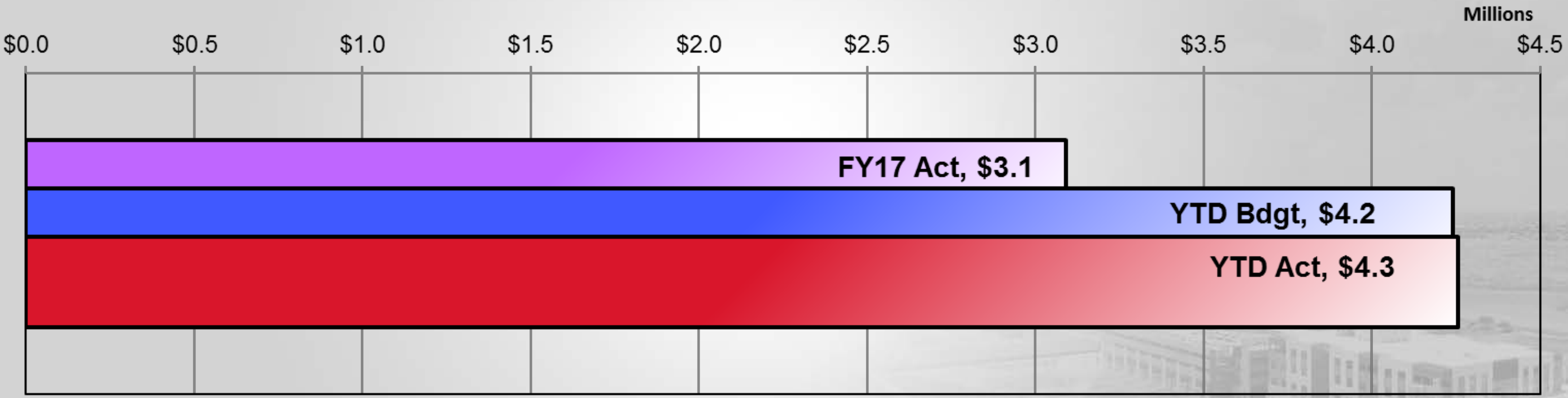
- Sources
  - State fuel taxes per gallon
  - Vehicle licenses and other transportation related fees

- Basis of revenue distributions
  - Population
  - County of origin

HURF Intergovernmental Revenues

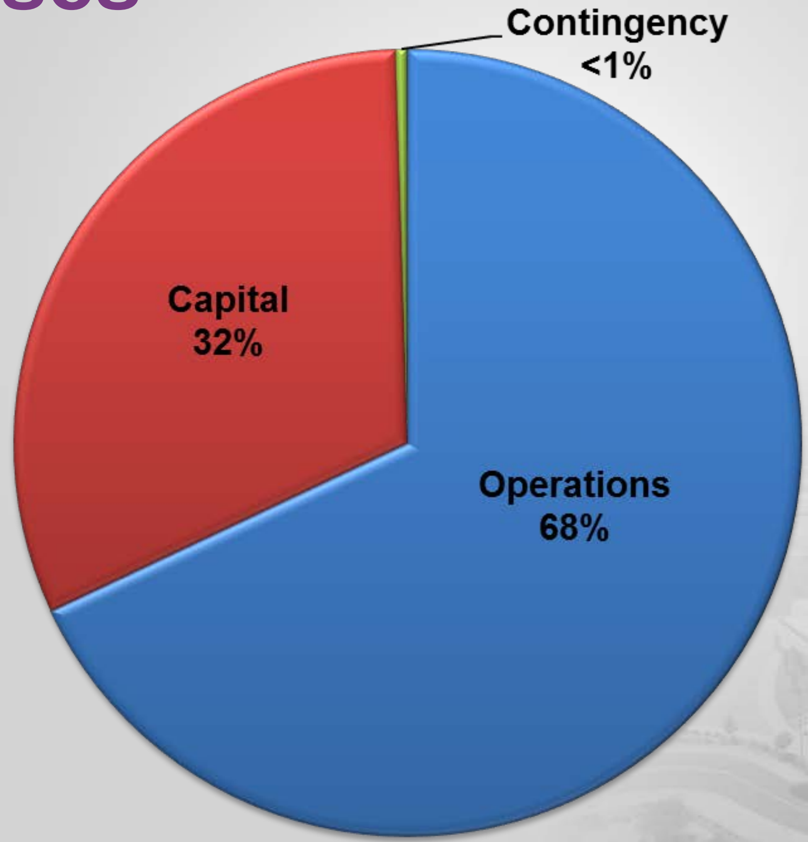


HURF Intergovernmental Revenues



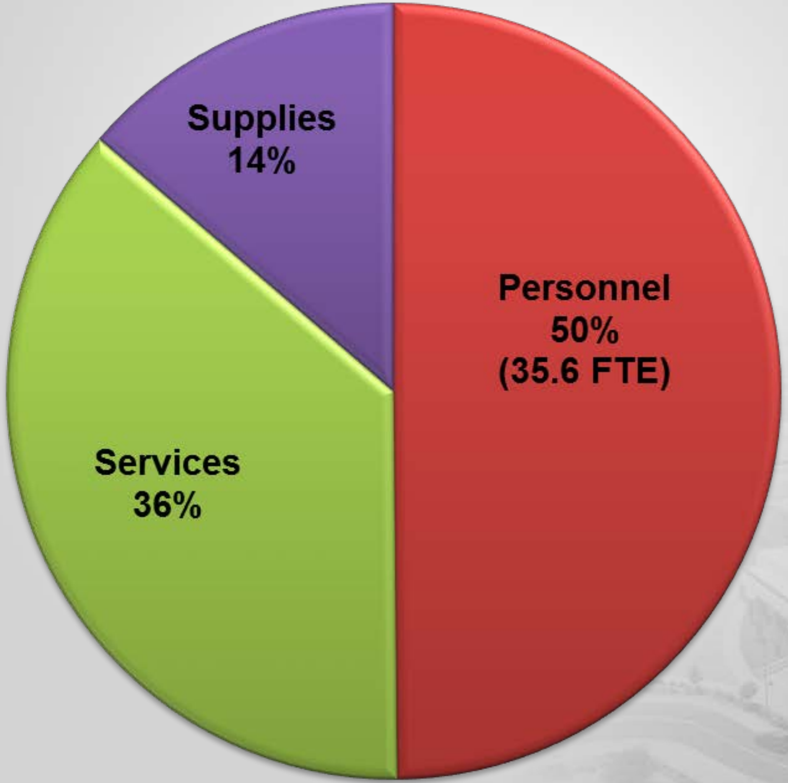
- Actuals exceed budget by less than $0.1M
  - Collections through December
  - FY2018 Includes one-time HURF funding in September

HURF Uses



FY2018 HURF Uses by Category Total $9.3 million

HURF Operating Expenses



FY2018 HURF Operating Expenses Total $6.3 million

HURF Transfers Out $2.92M

Pavement Preservation	1.53M
Vehicle and Equipment Replacement	1.04M
Traffic Ops Center Asset Replacement	0.18M
Booster Station Bell Road Lake	0.12M
Asset Replacement – Signals	0.03M
Median and ROW Landscaping	0.02M

Highway User Revenue Fund (HURF)

- Key issues
  - Replacement of vehicles, equipment, signals, intelligent transportation system
  - Pavement preservation
  - Some relief from Stormwater implementation
  - Legislative action
  - Fuel consumption, prices

Utility Enterprise Funds

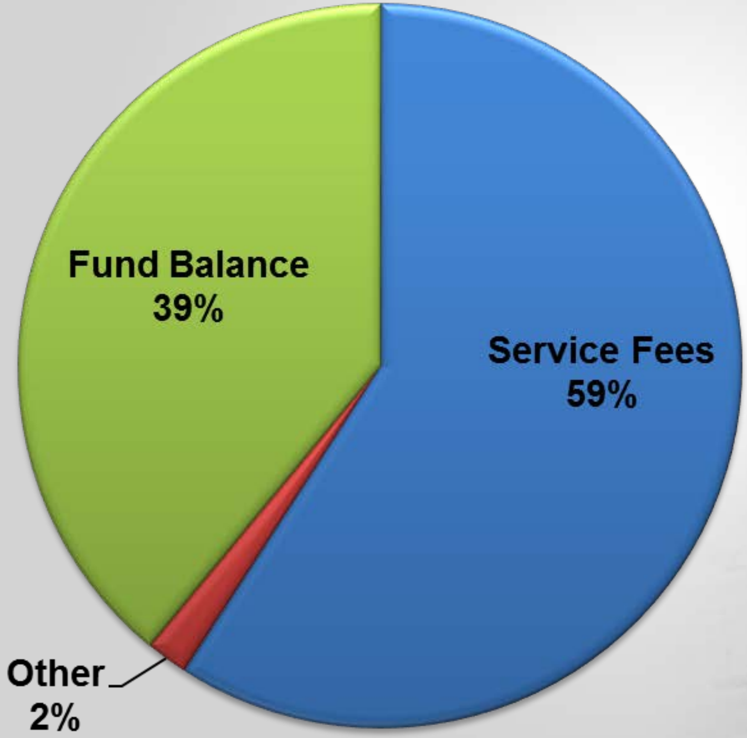
- Utility Enterprise Funds are used to account for business-like activities in which rates recover costs
  - Solid Waste Operations Fund
  - Stormwater Operations Fund
  - Wastewater Operations Fund
  - Water Operations Fund

- Reserves
  - Two months of budgeted expenditures for personnel, supplies, and services and 2% of tangible assets

Solid Waste Operations Fund

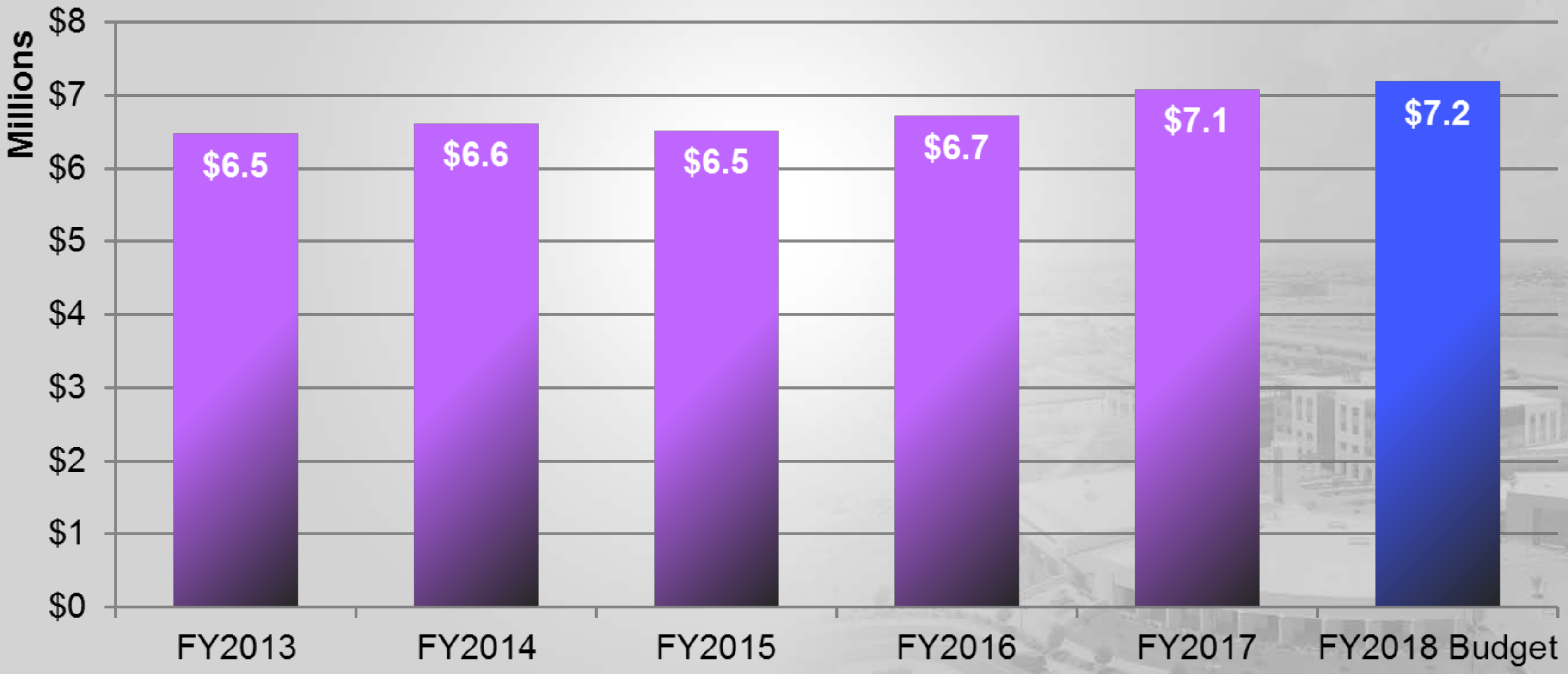
- 7th Largest Fund
  - 4% of the total expenditure budget
  - 3% of the operations expenditure budget
  - 3% of the personnel costs
  - Supports 7% of the capital outlay budget
- Active accounts
  - 36,134 residential

Solid Waste Fund Sources



FY2018 Solid Waste Fund Sources by Category
Total $12.5 million

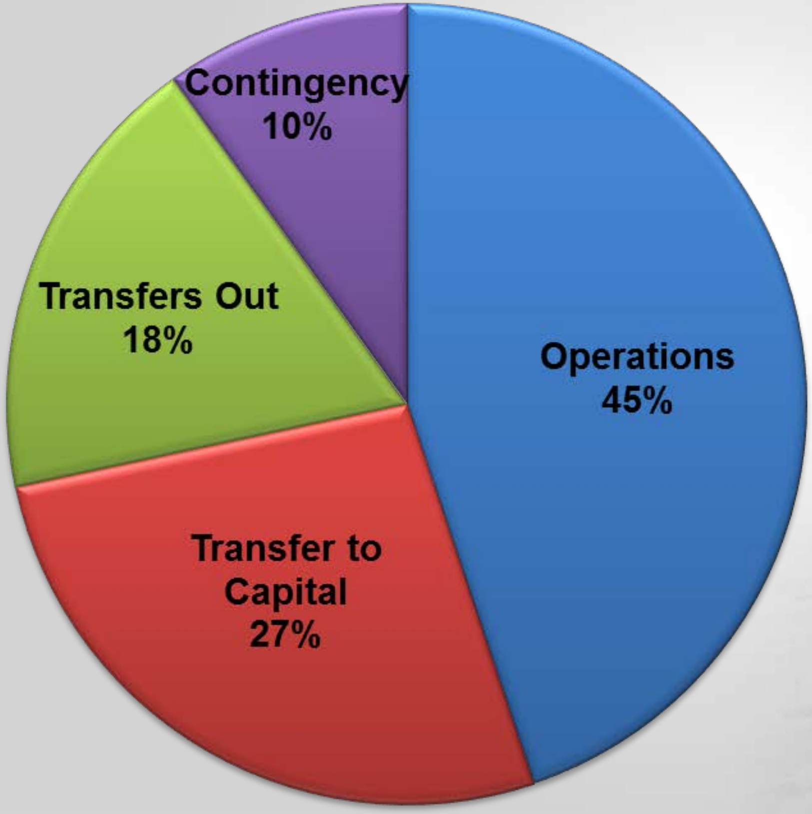
Solid Waste Fund Service Fees



Solid Waste Fund Service Fees

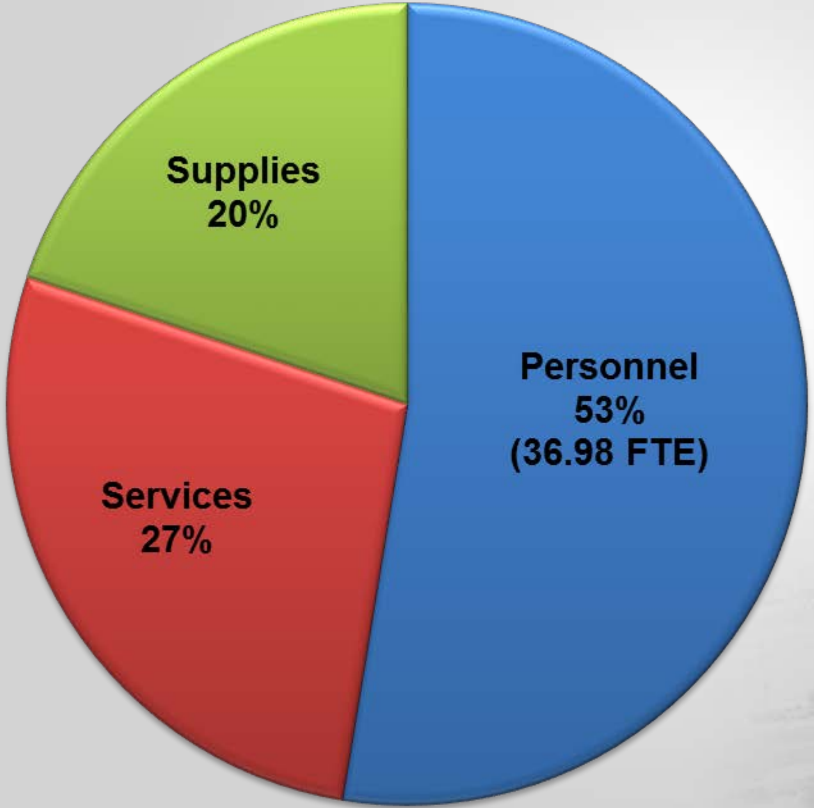
- Actuals are slightly below budget by less than $0.1M
  - Collections through December

Solid Waste Fund Uses



FY2018 Solid Waste Fund
Uses by Category
Total $12.5 million

Solid Waste Fund Operating Expenses



FY2018 Solid Waste Fund Operating Expenses Total $5.6 million

Solid Waste Fund - Transfers out

$5.7M

- Solid Waste Capital Fund
  - Vehicle and Equipment Replacement 3.3M
  - Capital Projects <0.1M
- General Fund 2.2M
  - Indirect Cost
  - Property tax in-lieu / Haulers license
- Workers' Compensation 0.1M
  - Establish Fund Reserve

Solid Waste Operations Fund

- Key issues
  - Recycling industry trends
  - Replacement of vehicles, equipment
  - Public works yard project
  - Landfill services contract
  - Indirect cost update
  - Rate study

Solid Waste Operations Fund

- Rate Study: opportunities and challenges
  - Revenue loss and expenditures increase from reduced demand for recyclables
  - Mitigating rate increase
    - Accurate/timely in-house billing

Solid Waste Operations Fund

- Rate Study: opportunities and challenges
  - Revenue opportunities
    - One time fees for service
      - Based on limited use
      - Recovers partial cost of a service
      - Borne by requester rather than all rate payers
      - Examples
        - Courtesy pickup fee (1st time complementary)
        - Bulk trash fee (approx. 20% of cust.)

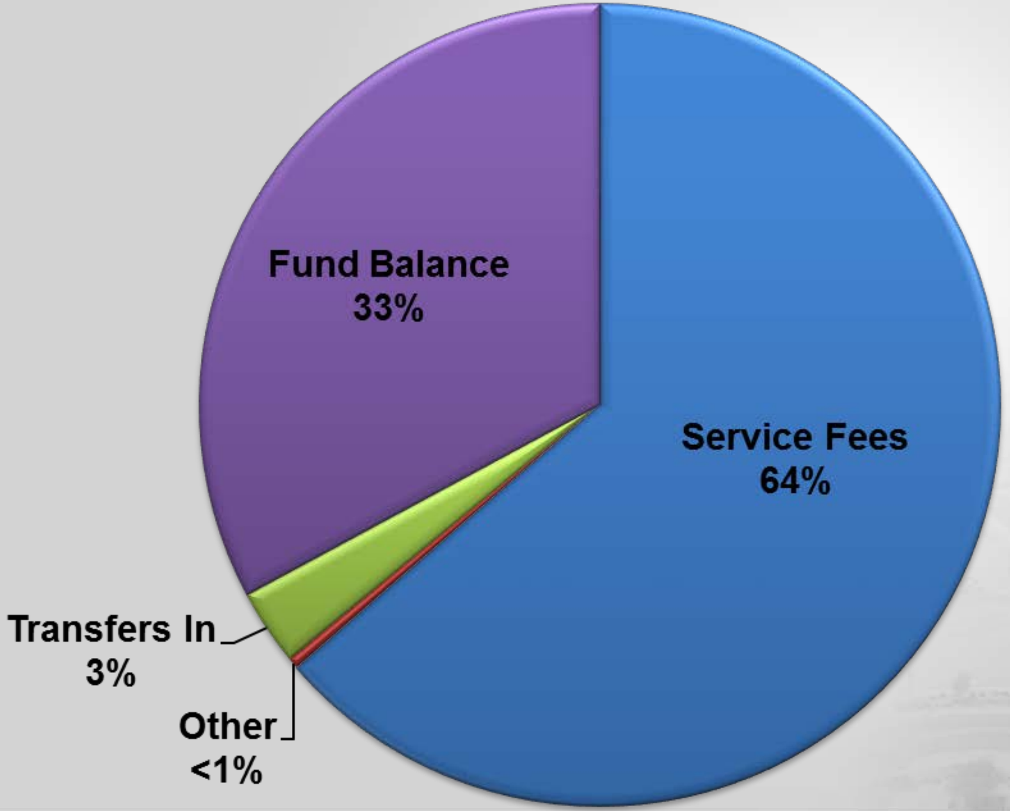
Solid Waste Operations Fund

- Monthly residential bill
  - 8+ years at $16.63
  - FY2019 2.0% rate increase approved with 2014 rate study
    - $16.96 per solid waste can
  - Future increases likely

Wastewater Operations Fund

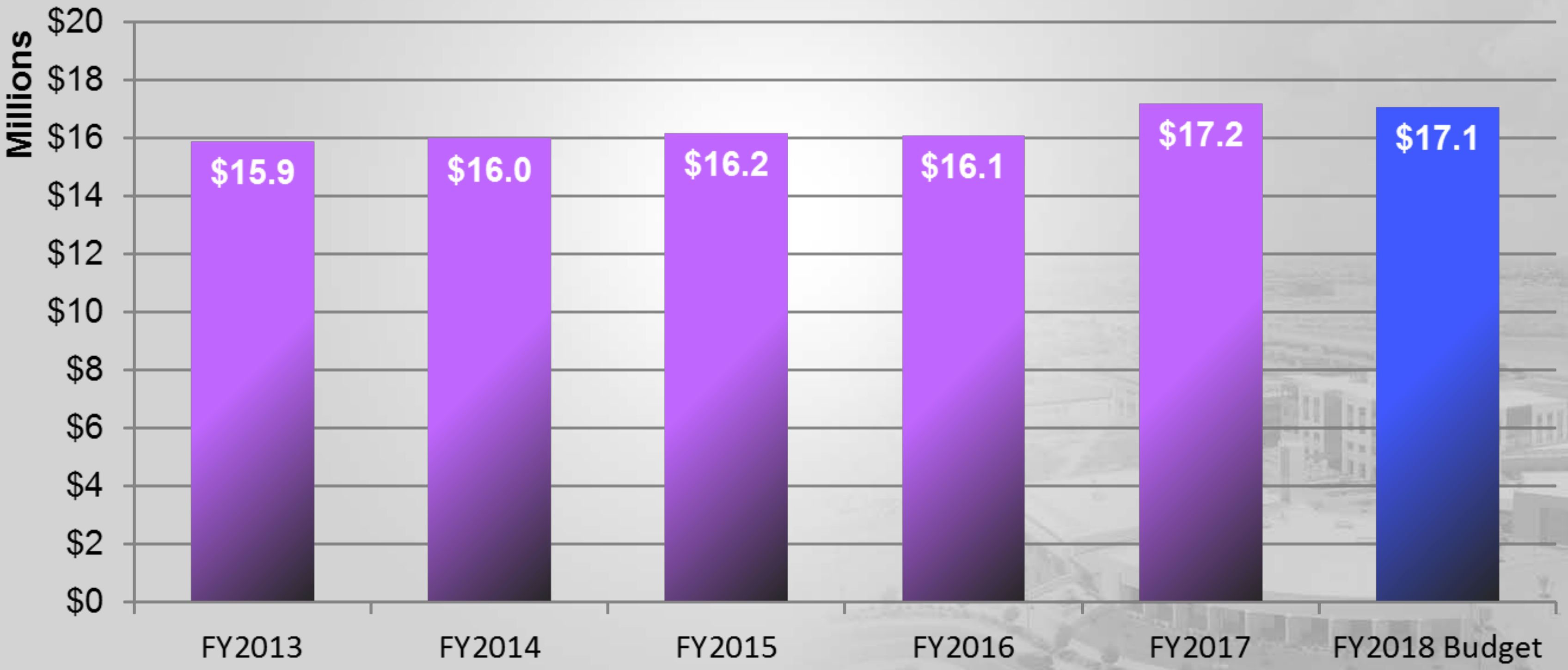
- 2nd Largest Fund
  - 8% of the total expenditure budget
  - 6% of the operating expenditure budget
  - 4% of the personnel costs
  - Supports 15% of the capital outlay budget
- Active Accounts
  - 48,000 residential
  - 700 non-residential

Wastewater Fund Sources

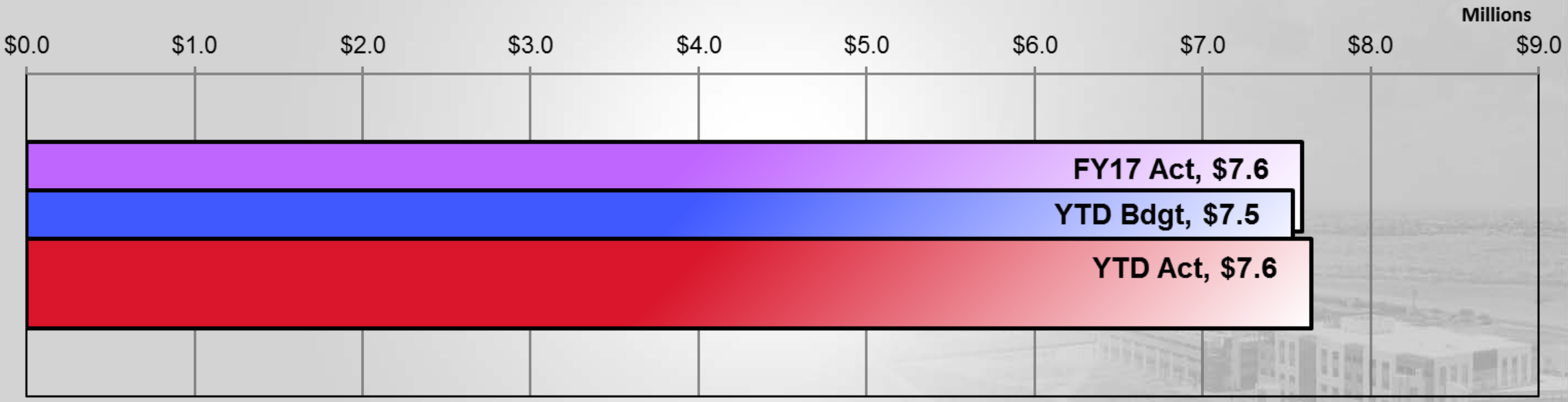


FY2018 Wastewater Fund Sources by Category
Total $26.8 million

Wastewater Fund Service Fees

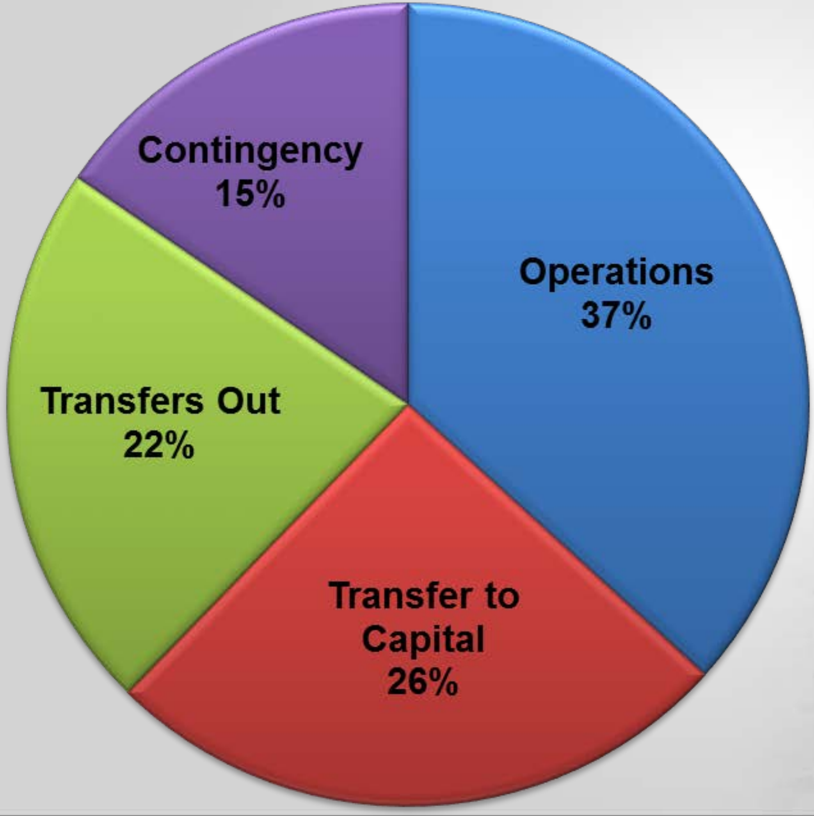


Wastewater Fund - Service Fees



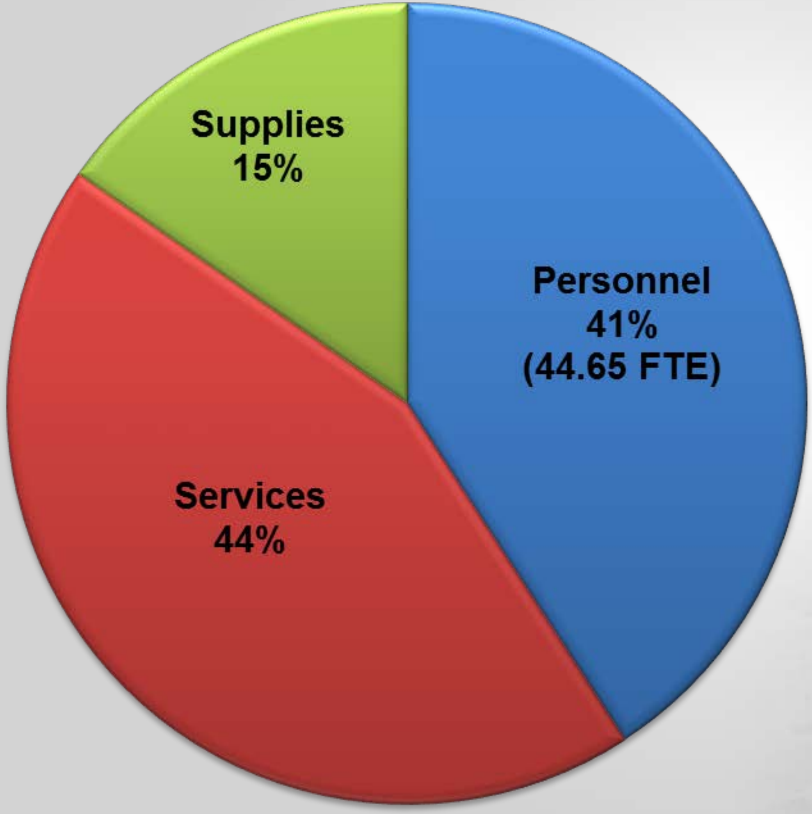
- Actuals exceed budget by $0.1M
  - Collections through December

Wastewater Fund Uses



FY2018 Wastewater Fund Uses by Category
Total $26.8 million

Wastewater Fund - Operating Expenses



FY2018 Wastewater Fund
Operating Expenses
Total $9.8 million

Wastewater Fund - Transfers Out

$12.8M

- Wastewater Capital Fund
  - Capital Projects 6.4M
  - Asset Replacement 0.3M
  - Vehicle and Equipment Replacement 0.2M

- General Fund 2.3M
  - Indirect Cost
  - Franchise / Property tax in-lieu

- Wastewater Development Fee Funds 3.7M
  - Capital Project Reimbursement/Debt Service

Wastewater Fund - Transfers Out (con't)

$12.8M

- Municipal Art Funds
  - Digester Modification Projects — <0.1M
- Workers' Compensation — <0.1M
  - Establish Fund Reserve

Wastewater Fund – Interfund Loans

	$49.8M
General Government Development Fee Fund	6.0M
Fire Development Impact Fee Fund	3.6M
Wastewater Development Impact Fee Fund	40.2M

Wastewater Operations Fund

- Key issues
  - Capacity
    - Optimizing infrastructure for treatment
    - Recharge expansion
  - Refinancing current debt
  - Development impact fee update
  - Interfund loans
  - Indirect cost update
  - Rate study

Wastewater Operations Fund

- Rate Study: opportunities and challenges
  - Mitigating rate increase
    - Accurate/timely in-house billing
    - Implementing one time use fees

Wastewater Operations Fund

- Rate Study: opportunities and challenges
  - One time fees for service
    - Based on limited use
    - Recovers partial cost of a service
    - Borne by requester rather than all rate payers
    - Examples
      - Establishment fee sanitation/sewer customers
      - Delinquent shut off fee

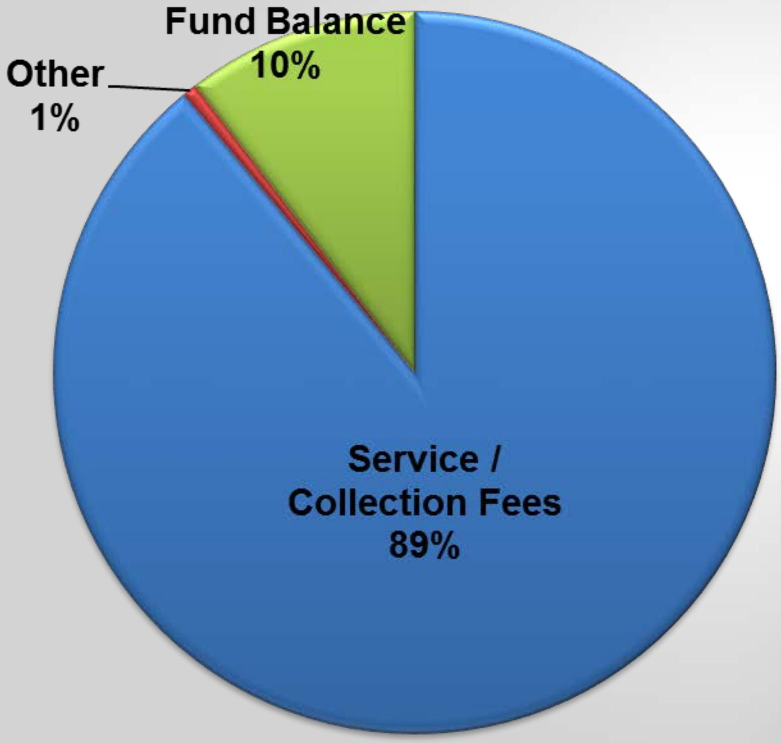
Wastewater Operations Fund

- Monthly residential bill
  - No change in residential rate 5+ years
  - FY2018 $24.78 single family residence
  - FY2019 no rate increase

Water Operations Fund

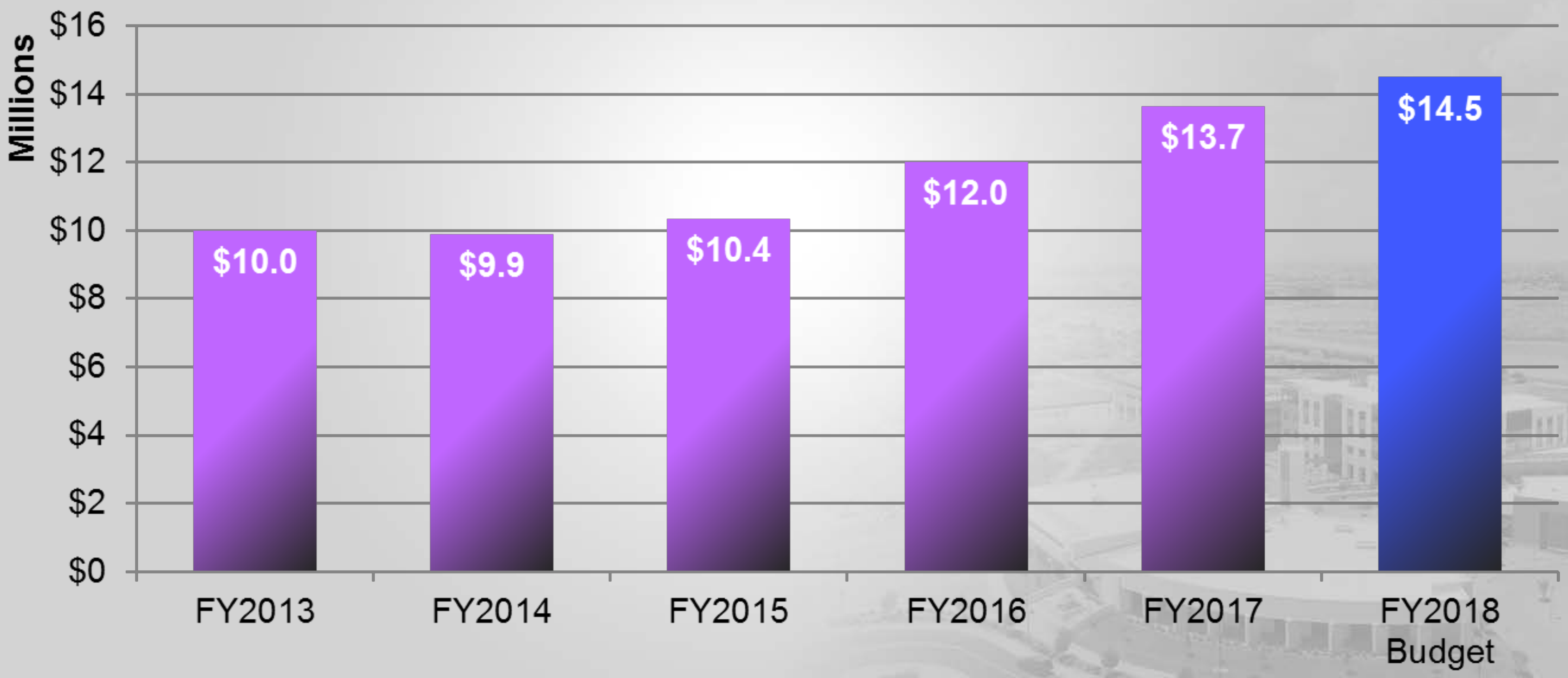
- 6th Largest Fund
  - 5% of the total expenditure budget
  - 5% of the operating expenditure budget
  - 3% of the personnel costs
  - 10% of the capital outlay budget
- Active Accounts
  - 15,000 residential
  - 600 non-residential

Water Fund Sources



FY2018 Water Fund Sources by Category
Total $16.3 million

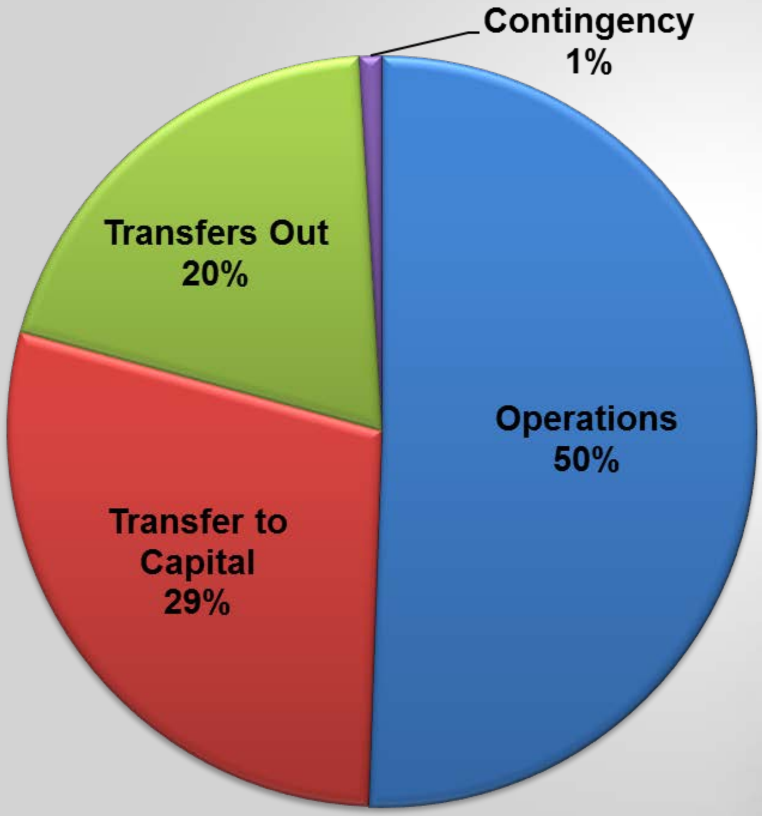
Water Fund - Service/Collection Fees



Water Fund - Service/Collection Fees

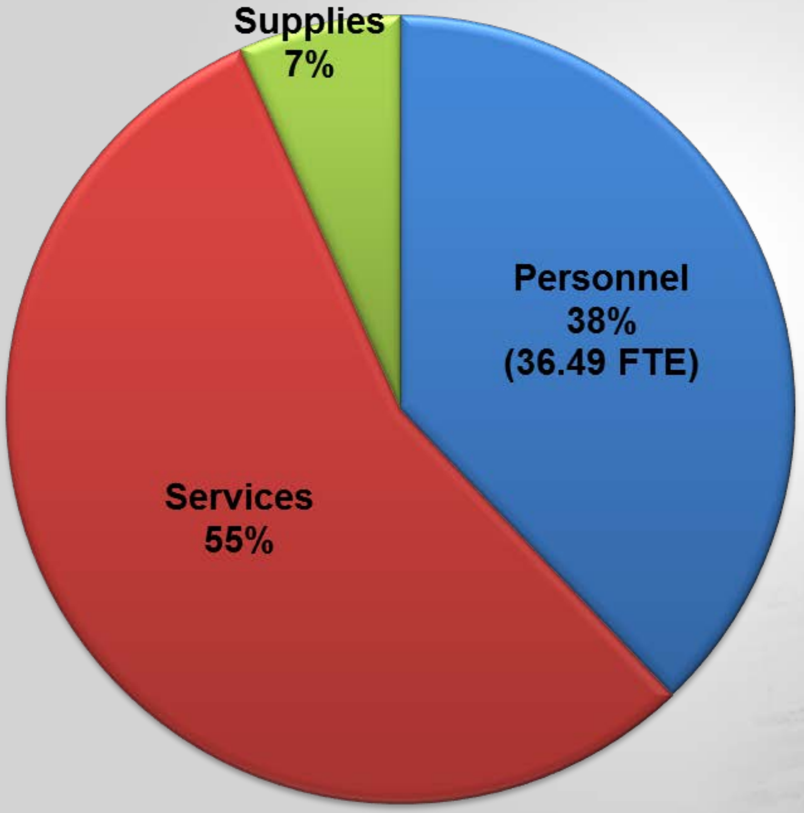
- Actuals exceed budget by $0.4M
  - Collections through December

Water Fund Uses



FY2018 Water Fund Uses by Category Total $16.3 million

Water Fund - Operating Expenses



**FY2018 Water Fund
Operating Expenses
Total $8.2 million**

Water Fund Transfers out

$7.9M

- Water Capital Fund
  - Capital Projects 3.9M
  - Asset Replacement 0.6M
  - Vehicle and Equipment Replacement 0.1M
- General Fund 1.7M
  - Indirect Cost
  - Franchise / Property tax in-lieu
- Water System SPA 2 DIF Fund Coverage 1.3M
- Workers’ Compensation Reserve <0.1M

Water Fund – Interfund Loans

	$1.6M
Water Resource SPA1 development impact fee	1.2M
Water Resource SPA1 2014 development impact fee	0.4M

Water Operations Fund

- Key issues
  - Strengthen water resource portfolio
  - Optimizing infrastructure for distribution
  - Arsenic treatment facilities
  - Development impact fee update
  - Potential water acquisition
  - Indirect cost update
  - Rate study

Water Operations Fund

- Rate Study: opportunities
  - Mitigating rate increase
    - Accurate/timely in-house billing
    - Implementing one time use fees

Water Operations Fund

- Rate Study: opportunities and challenges
  - Revenue opportunities
    - One time fees for service
      - Based on limited use
      - Recovers partial cost of a service
      - Borne by requester rather than all rate payers
      - Examples
        - Hydrant meter deployment
        - Meter tampering

Water Operations Fund

- Monthly residential bill
  - $46.33 single family with average use
  - FY2019 8.25% rate increase approved with 2014 rate study

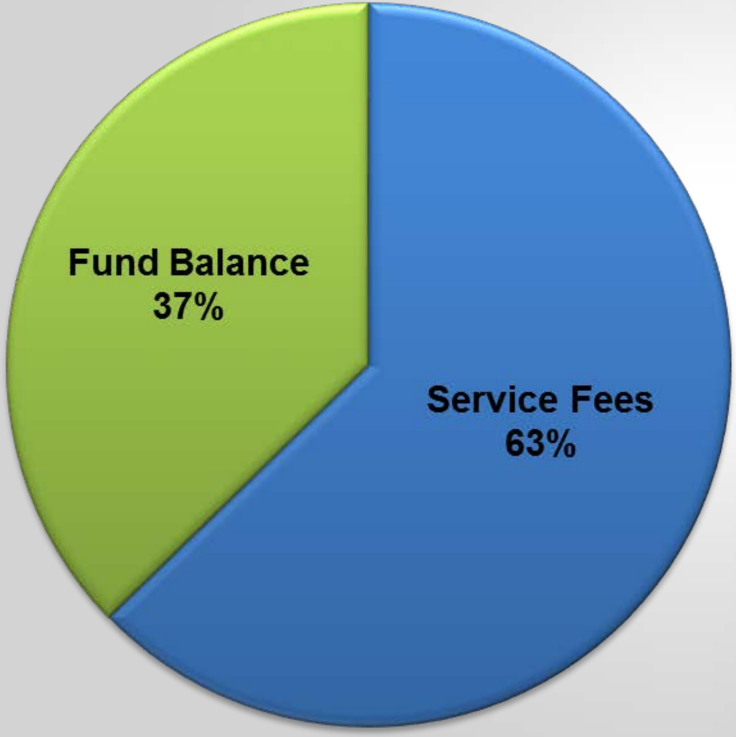
Stormwater Operations Fund

- Newly created fund – effective November 1, 2016
- Established to account for stormwater related activities

- Approximate active accounts
  - 48,000 residential
  - 750 non-residential

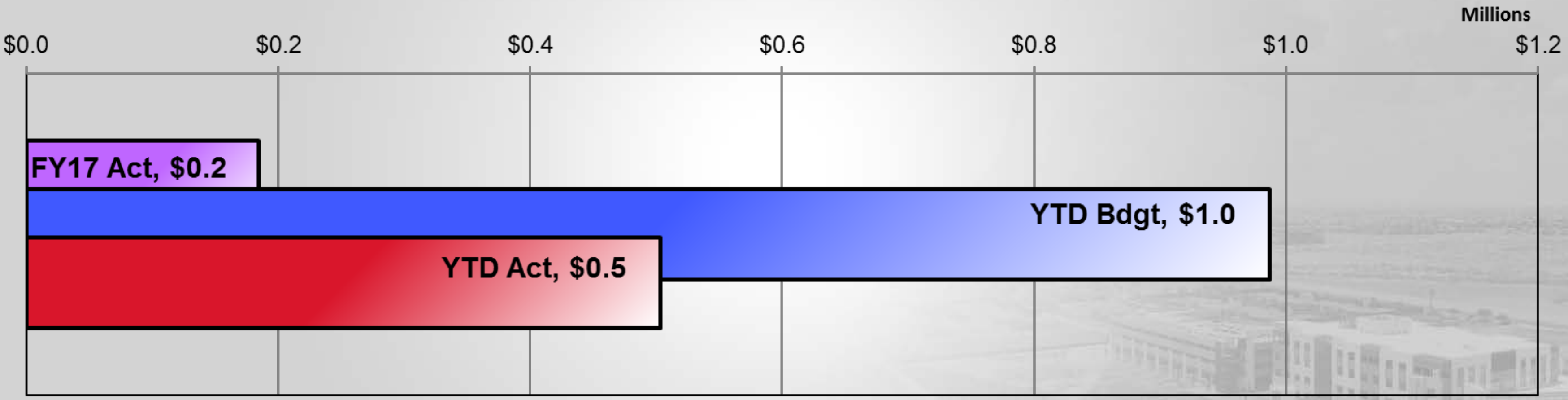
- Monthly residential bill
  - $2.00 per equivalent dwelling unit
  - Not included in the rate study

Stormwater Fund Sources



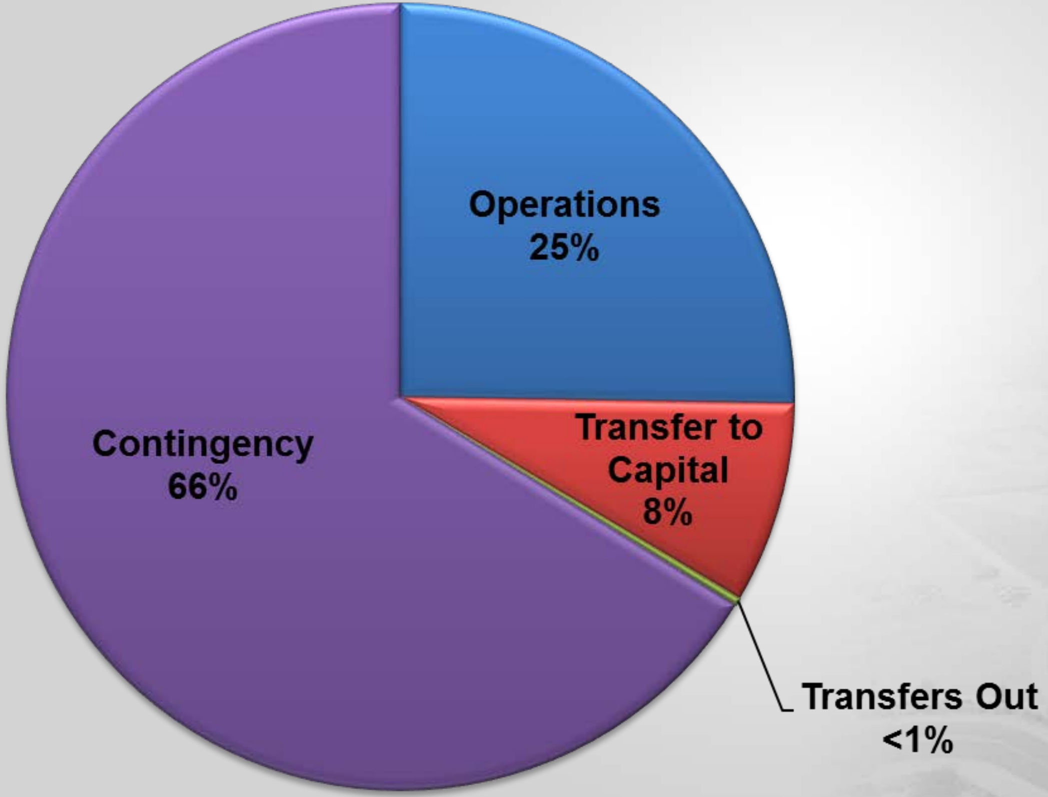
FY2018 Stormwater Fund Sources by Category Total $3.1 million

Stormwater - Service Fees



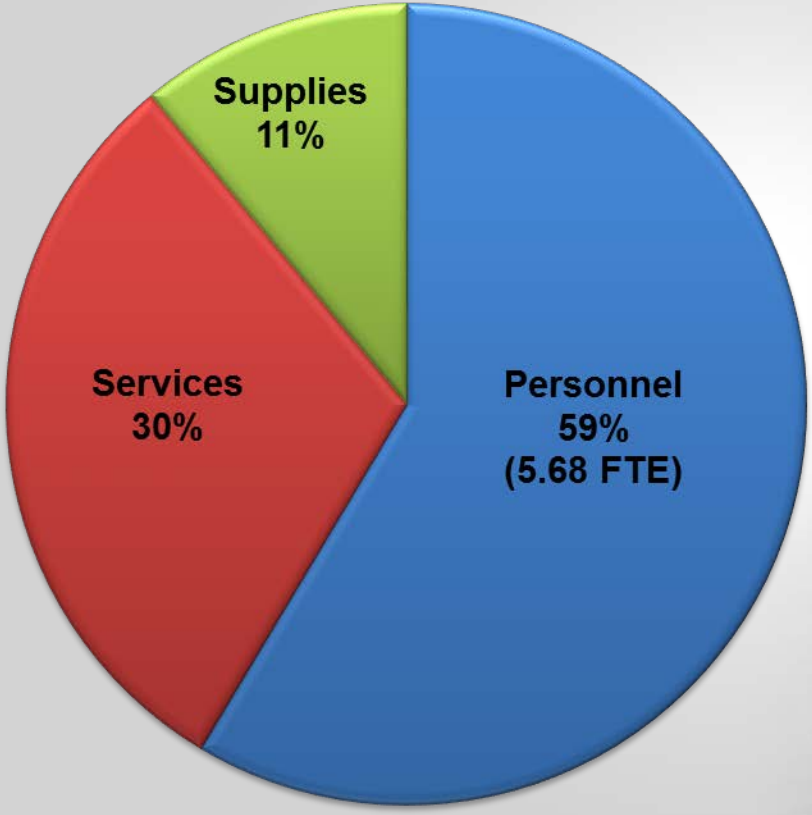
- Actuals are below budget by than $0.5M
  - Collections through December

Stormwater Fund Uses



FY2018 Stormwater Fund Uses by Category
Total $3.1 million

Stormwater Fund - Operating Expenses



FY2018 Stormwater Fund Operating Expenses Total $794,600

Stormwater Fund - Transfers out

	$0.3M
Stormwater Waste Capital Fund	
Capital Projects	0.3M
Workers' Compensation	<0.1M
Establish Fund Reserve	

- Stormwater Waste Capital Fund
  - Capital Projects
- Workers' Compensation
  - Establish Fund Reserve

Stormwater Operations Fund

- Key issues
  - Establish financial patterns
  - 107th Avenue and Union Hills
  - Indirect cost update

Upcoming Calendar

- Work Sessions through April 3
  - Sources and Reserves, CIP and DIF, New Enterprise Funds

- City Manager’s Recommended Budget April 17
- Tentative Budget adoption May 1
- Final Budget adoption June 5
- Property Tax Levy adoption June 19

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ARIZONA

QUESTIONS OR COMMENTS?

Thank You

Council Meeting Date:	February 20, 2018	Contact Person:	Martin Lucero - Community Development
Submitting Department:	CD	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Discussion and presentation pertaining to a City of Surprise Transit Feasibility Study and Implementation Plan.

Motion:

Discussion only; no action.

Background:

The City of Surprise has hired HDR to develop a Transit Feasibility Study and Implementation Plan. This study is to supplement, and in other cases supersede, studies which have been conducted as part of the broader Northwest Valley and Maricopa Association of Governments (MAG) regional studies. Staff will present the study purpose and need, study time line, current efforts and data collection, the Public Involvement Plan and the next steps.

Objective Analysis:

Potential positive impacts include: Understanding the transit needs of the community, identifying funding sources, and understating the cost of service. Potential negative impacts: Transit service is determined to not be feasible due to surveys and funding sources are not identified.

Policy Compliant:

Although there is no action as of yet on this item, per the Council strategic plan Transportation Goal 3 is to develop a robust multimodal transit plan that provides for transit connectivity to the region and Goal 4 to provide local transit service in surprise. As such discussion of this item is policy compliant.

Financial Impact:

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

Budget Impact:

None, the study was funded through the FY 2018 City budget. Future costs will be identified as a part of the implementation plan.

FTE Impact:

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

ATTACHMENTS:

Click to download

- City of Surprise Transit Feasibility Study and Implementation Plan - Staff Report
- Presentation

COMMUNITY DEVELOPMENT

Date: February 20, 2018

To: Mayor and City Council

From: Martin Lucero, Transportation Planning Manager
martin.lucero@surpriseaz.gov, 623-222-3142
Eric Fitzer, Community Development Director

Re: Transit Feasibility Study and Implementation Plan

Background

The City of Surprise has hired HDR to develop a Transit Feasibility Study and Implementation Plan. This study is to supplement, and in other cases supersede, studies which have been conducted as part of the broader Northwest Valley and Maricopa Association of Governments (MAG) regional studies.

The purpose of the Transit Feasibility Study is to help ensure that the City sustains its high quality of life as the City begins to see population growth.

Presentation Summary – Transit Feasibility Study

- Study purpose and need
- Draft Survey Questions
- Study outline and timeline
- Transit 101
- Describe each task in greater detail and why is it important
- Next steps

Future Steps

Quarterly reports will be provided for the Mayor and City Council to update them on Transit Feasibility Study.

Recommendation

No action is necessary; information and discussion only.

ATTACHMENTS:

1. PowerPoint Presentation

City of Surprise Transit Feasibility Study and Implementation Plan Overview

City Council Work Session

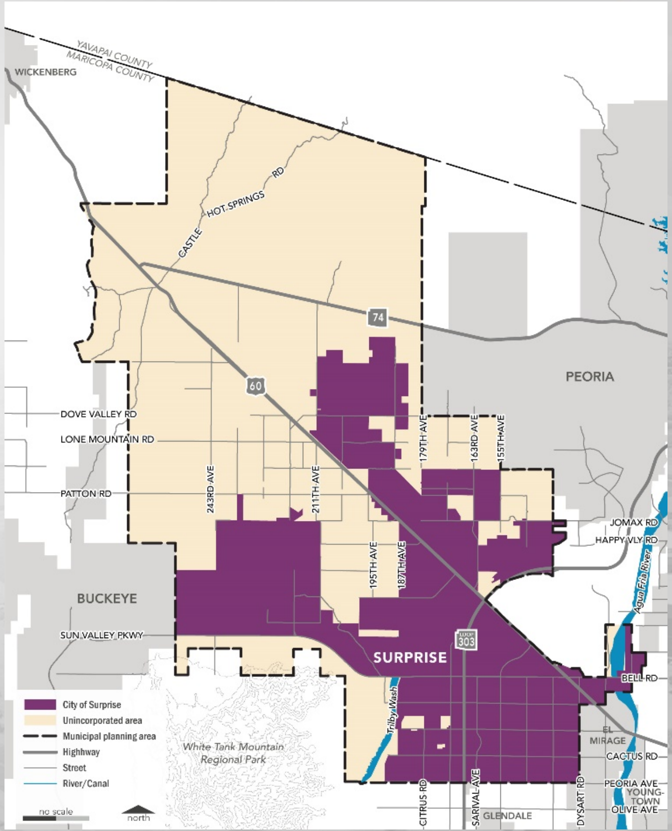
February 20, 2018

Agenda

- Introduction
- Study Timeline
- Transit Overview
- Study Tasks
- Public Involvement Plan
- Next Steps
- Question and Answers

Introduction

- City Staff
- Study Purpose
- Study Procurement
- HDR Inc. Consultant
- Seven Project Tasks

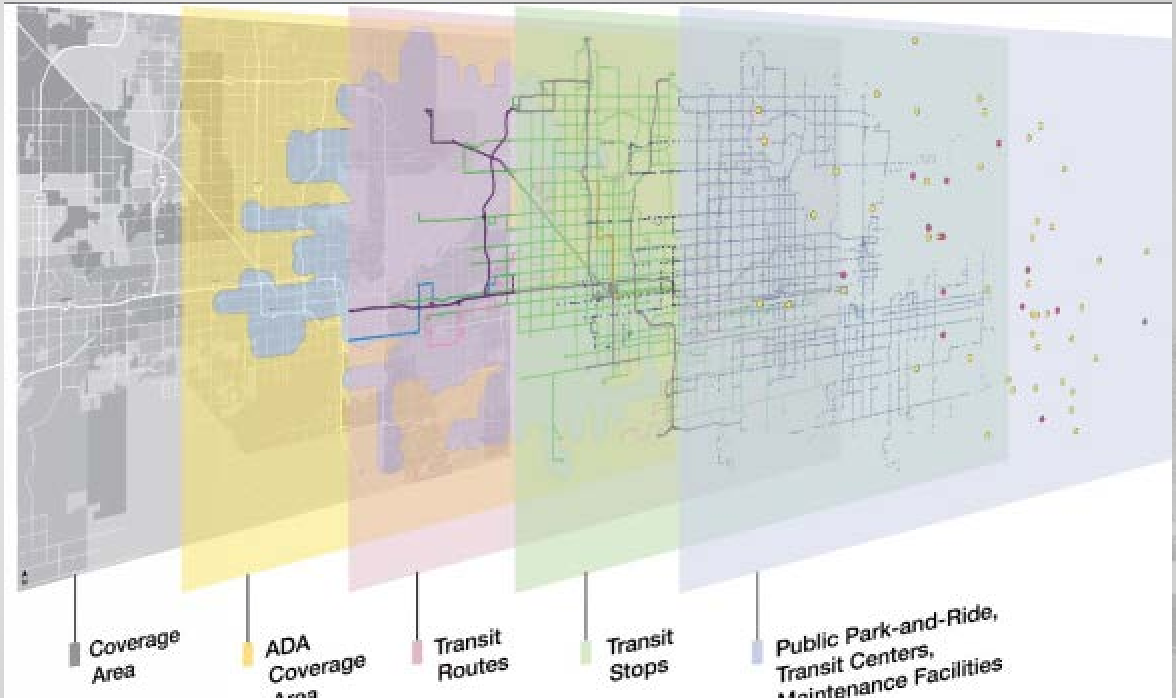


Study Timeline

Transit Overview

Transit Overview

- Mobility Options
- Community Connectivity
- Enhance Quality Of Life
- Support Economic Development
- Regional Connectivity



Source: MAG RTP

Transit Overview


Rural/ Flex Service


Neighborhood Circulators


Local and Supergrid


Express/RAPID/Limited


Streetcar*


Light Rail

Paratransit

Vanpool


Mobility Center

Park-and-Ride


Transit Centers

Transit Overview

- Different Funding Sources
  - Farebox, Local, Regional, Federal, Other
- Funding Is Limited
  - Competing Needs for Limited Dollars
- Performance Measures
  - FAST Act, Transit Standards and Performance Measures
- Short- And Long-term Planning Required
  - Local Budgets and Regional Programming

Study Tasks

- Project Management and Coordination
- Public Involvement
- Current Transit Conditions and Systems Evaluation
- Transit Feasibility Study
- Transit Plan Financial Analysis
- Final Implementation Plan
- Document Compilation

Public Involvement

- Develop Public Understanding of Study
- Provide Opportunities for Continuous Public Participation
- Maintain Accountability, Credibility and Accessibility of the Study Team
- Engage the Public

Next Steps

- Complete Task 3
  - Current Transit Conditions and Systems Evaluation
- Launch Project Website
- Launch Community Survey
- Prepare Additional Outreach Events
- Begin Tasks 4 And 5
  - Transit Feasibility Study

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QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Regular City Council Work Session

February 20, 2018 @ 4:00:00 PM

Council Meeting Date:	February 20, 2018	Contact Person:	Joshua Mike - Community Development
Submitting Department:	CD	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Discussion and presentation pertaining to the DRAFT Arts and Culture Master Plan and announcing public outreach dates.

Motion:

N/A

Background:

In February of 2017, the Arts and Cultural Advisory Commission and the Community Development Department hired a consultant, to begin developing an Arts and Culture Master Plan. This team has conducted stakeholder meetings, participated in public outreach events, and conducted multiple surveys that evaluated the current conditions and identified the needs of the City. This development team has drafted strategies intended to bolster the community's sense of place by expanding public art and promoting more cultural experiences.

Objective Analysis:

This development team has drafted strategies intended to bolster the community's sense of place by expanding public art and promoting more cultural experiences.

Policy Compliant:

No action is being taken at this time.

Financial Impact:

At this time there are no financial impacts associated with this item.

Budget Impact:

At this time there are no budget impacts associated with this item.

FTE Impact:

At this time there would be no additional FTEs associated with this item.

ATTACHMENTS:

Click to download

Public Arts Master Plan - Presentation

SURPRISE
ARIZONA

Presentation:
PUBLIC DRAFT
Arts and Culture Master Plan

City Council Work Session

February 20, 2018

Arts and Culture Master Plan

Today's Discussion

- Developing an Arts and Culture Master Plan
- Outreach Recap
- Draft Plan
- Stakeholder and Public Review Dates
- Next Steps

Developing an Arts and Culture Master Plan

What is an Arts and Culture Master Plan?

- Set the standard and strategic direction, implement and plan
- Better express the uniqueness and artistic vitality of Surprise
- Express our special qualities and competitive advantages
- Characterizes our sense of place and communicates our direction
- Vision created by community input
- Tangible document lives beyond the ebbs and flow of leadership
- Arts and Cultural Advisory Commission, with staff and Designing Local

Outreach Recap

<u>June 2017</u>

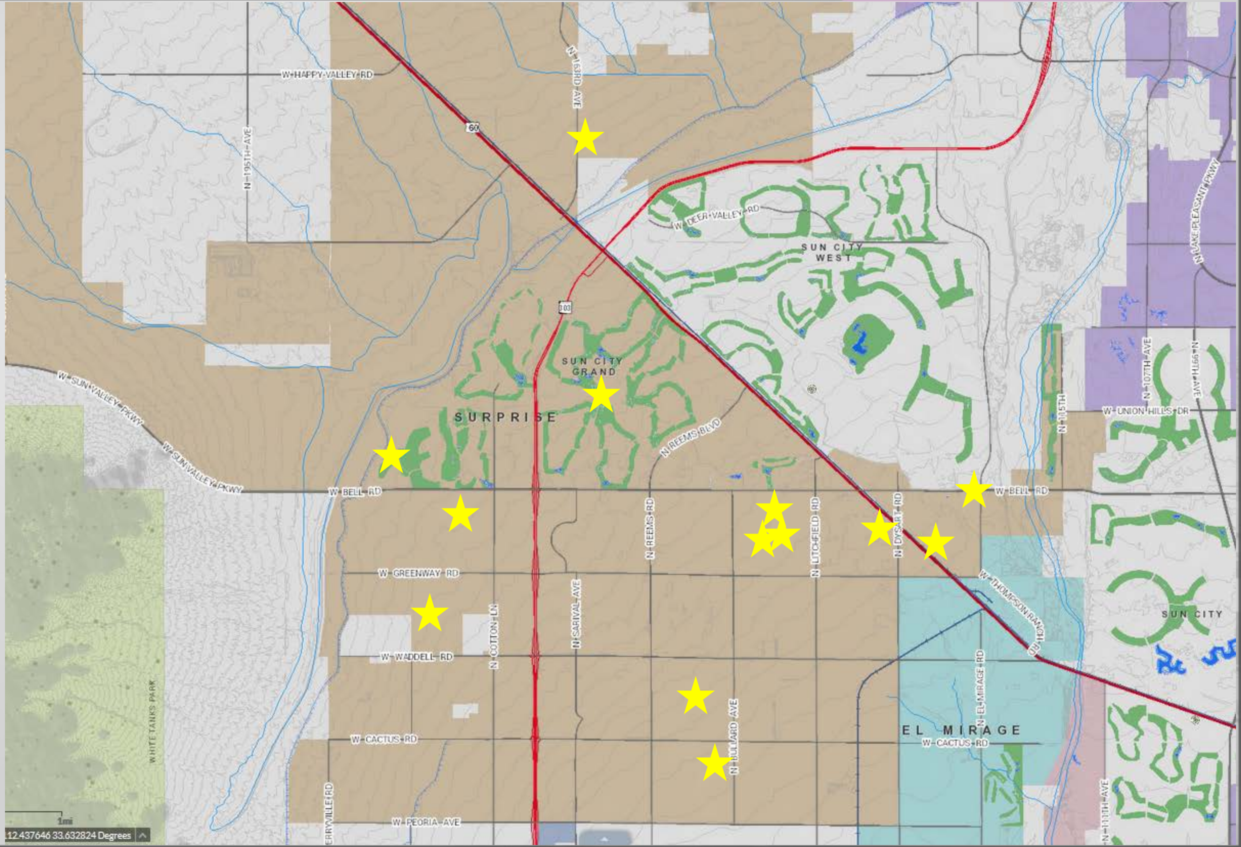
Stakeholder & Public Outreach
- City Hall, Marley Park, Sun City Grand, WVHQ

<u>August-September 2017</u>

District, Commissions, HOA, and Community Meetings
- District 1, 2, and 4; CRS, Tourism, DAC, and P&Z Commissions; Youth Council, Rancho Gabriella, Veramonta, Dysart Art Teachers, Rotary

<u>October 2017</u>

Art Week
- Fiesta Grand, Asante Park, Public Art Bus Tour, Surprise Block Party, Tech & Art Fair, Poetry Slam, Sierra Montanta



Draft Plan

Outline / Table of Contents

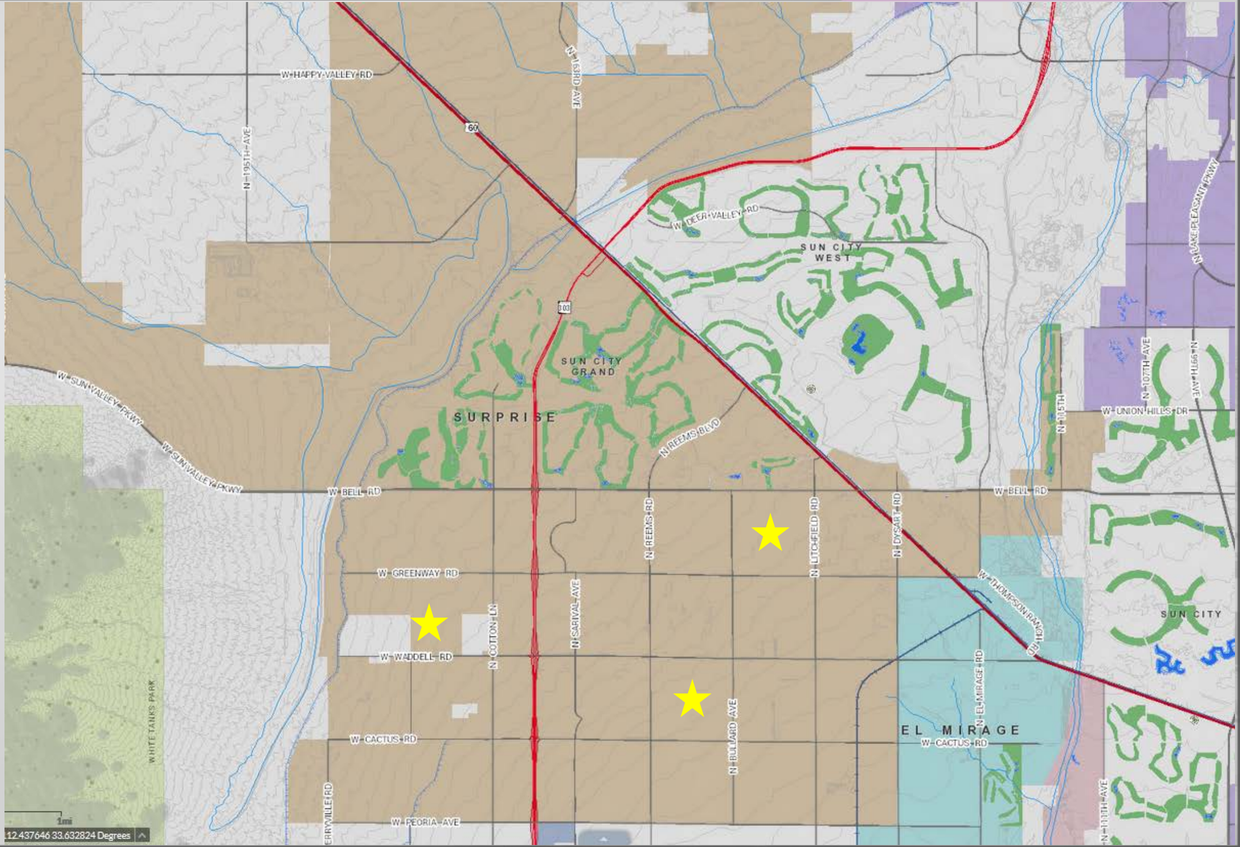
Stakeholder and Public Review Dates

Feb 2018

Roundtable Meetings
- Invitations to stakeholders
- Published, open to public
- Discuss details of actual draft
- Sierra Montana Rec Center
  2/26 at 1pm
- NW Regional Library, 2/27 at 6pm
- Marley Park, 2/28 at 1pm

March 2018

Arts and Cultural Advisory Commission - Special Meeting
- Present stakeholder and public comments on draft plan
- Commission reviews draft plan, assesses stakeholder comments, and advises revisions to draft
- City Hall, 3/1 at 4:30pm



Next Steps

Remaining Timeline

- Final stretch of this 18 month project
- February 2018: Present Draft Arts & Culture Master Plan to Public
  - Roundtable discussions with stakeholders, the public, and the Arts Commission
- March-April 2018: Revise Draft
  - Revise draft based on guidance from Arts Commission
- May-June 2018: Finalize Draft and Present to Commissions and Council
  - Present final draft to commissions that contributed input
  - Present to City Council for consideration and action

QUESTIONS OR COMMENTS?

Thank You