



CITY OF SURPRISE
Regular City Council Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Tuesday, May 6, 2025 @ 6:00 PM
COUNCIL CHAMBERS

A. Call To Order

Any prayer or invocation that may be offered before the start of the Regular Council Meeting is a voluntary offering by a private resident of Surprise; has not been previously reviewed or approved by City Council or City staff; should not be considered an endorsement of any particular religion by the City or its officials, as the beliefs, viewpoint, and content are personal to the speaker; and no participation by any person in attendance is required. A list of volunteers is maintained by the office of the City Clerk and interested persons should contact the Clerk's Office for further information.

B. Roll Call

C. Pledge of Allegiance

D. Proclamation and Community Acknowledgements

Shadow Ridge Soccer Team State Championship Recognition

Professional Municipal Clerks Week

E. City Manager Report

The City Manager may present a brief summary of current events, including recognition of community members, employees, and programs, pursuant to A.R.S. § 38-431.02(K). The City Council will not discuss or take action on any matter within the City Manager Report.

F. City Clerk Report

1.	Internal	Municipal Clerks Week Open House	Kristi Passarelli City Clerk
----	----------	----------------------------------	---------------------------------

G. Regular City Council Meeting Agenda

CONSENT AGENDA:

2.	Internal	Consideration and action to approve the April 15th, 2025 Regular City Council Meeting Minute, April 15th, 2025 Work Session Minutes, and April 15th, 2025 Executive Session Minutes.	Kristi Passarelli City Clerk
3.	District 6	Consideration and action on approving a Water Meter Easement from Marley Park West, LLC, near Litchfield and Waddell Roads.	Lloyd Abrams Community Development
4.	District 1	Consideration and action on accepting a transfer of right of way from Arizona State Land Department for the area of Patton Road and 195 th Avenue.	Lloyd Abrams Community Development
5.	District 2	Consideration and Action on accepting a Quit Claim Deed for dedication of right of way from Dysart Unified School District for right of way at Parkview Place north of Greenway Road.	Lloyd Abrams Community Development
6.	District 3	Consideration and Action on accepting a Quit Claim Deed for dedication of right of way from Dysart Unified School District for right of way for the southeast corner of Perryville and Desert Cove Roads.	Lloyd Abrams Community Development

- | | | | |
|-----|----------|--|--|
| 7. | Citywide | Consideration and action pertaining to accepting additional funding from the Area Agency on Aging related to Contract 2025-36-SUR, and approval of a Fiscal Year 2025 budget amendment moving budget in the amount of \$9,700 for the purchase of kitchen equipment for the City of Surprise Senior Center Congregate Meal Program; Resolution #2025-50. | Deb Perry
Human Svcs and
Comm Vitality |
| 8. | Citywide | Consideration and action pertaining to the approval of the Memorandum of Understanding between Maricopa County and the City of Surprise to complete facility improvements to the Surprise Community & Resource Center; Resolution 2025-49. | Deb Perry
Human Svcs and
Comm Vitality |
| 9. | Citywide | Consideration and action pertaining to authorizing acceptance of a grant award from the Governor's Office of Highway Safety and approval of a Fiscal Year 2025 budget amendment moving budget in the amount of \$6,000 for overtime expenses. Resolution 2025-44; RFLS 9979. | Charles Morin
Police |
| 10. | Citywide | Consideration and action pertaining to approval of a Fiscal Year 2025 budget amendment moving budget in the amount of \$500,000 from General Contingency to the Tourism Fund for the purpose of securing entertainment for the FY26 Out of the Park Music Fest; Resolution #2025-56. | Kendra Pettis
Sports and Tourism |

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|-----|------------|--|---|
| 11. | Citywide | Consideration and action pertaining to the reappointment of Louis Frank Dominguez to the position of Presiding Judge of the Surprise Municipal Court; Resolution #2025-54. | Joesette Frausto
Human Resources |
| 12. | Citywide | Consideration and action pertaining to the reappointment of Catherine Ann Gaudreau to the position of Associate Judge of the Surprise Municipal Court; Resolution #2025-55. | Joesette Frausto
Human Resources |
| 13. | District 4 | Consideration and action pertaining to the Second Amendment to the 2009 Intergovernmental Agreement for Water Service by the City of El Mirage to the City of Surprise within the Surprise Original Townsite. Resolution #2025-43. | Michael Boule
Water Resource
Management |
| 14. | District 1 | Consideration and action pertaining to approval of a Cell Tower Lease Agreement at the Rancho Mercado Water Supply Facility; Resolution #2025-53. | Brad Mecham
City Manager Office |
| 15. | Citywide | Consideration and action pertaining to adoption of the tentative expenditure limitation budget for FY2026; directing publication of said tentative budget; and setting a public hearing for June 3, 2025, at 6:00pm at the City of Surprise Council Chambers, 16000 N. Civic Center Plaza, Surprise, Arizona; Resolution #2025-51. | Andrea Davis
Sandy Simmons
Finance |
| 16. | Citywide | Presentation and discussion pertaining to annual updates to the City's financial policies. | Andrea Davis
Finance |

REGULAR AGENDA ITEM - PUBLIC HEARING:

- | | | | |
|-----|------------|--|---------------------------------|
| 17. | District 3 | Consideration and action pertaining to a recommendation to the Arizona Department of Liquor Licenses and Control (DLLC) on Application No. 338164, | Kristi Passarelli
City Clerk |
|-----|------------|--|---------------------------------|

requested by Jeffrey Craig Miller, for Aldi #169 for Series 10 Liquor License. Aldi #169 is located at 17038 W Waddell Rd, Surprise, AZ 85388.

- | | | | |
|-----|------------|---|---|
| 18. | District 4 | Consideration and action pertaining to a recommendation to the Arizona Department of Liquor Licenses and Control (DLLC) on Application No. 338190, requested by Jeffrey Craig Miller, for Aldi #175 for New Series 10 Liquor Application. Aldi #175 is located at 13723 W Bell Rd Surprise, AZ 85374. | Kristi Passarelli
City Clerk |
| 19. | District 6 | Consideration and action pertaining to a rezone of approximately 7.9 acres from Business Park (BP) to Light Industrial (I-1) on a site generally located south of the southwest corner of Litchfield Road and Cactus Road. Case FS24-1195. | Leslie Carnie
Community
Development |
| 20. | Internal | Consideration and action pertaining to candidates for appointment to the position of City Attorney. | Joesette Frausto
Human Resources |

H. 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. You may also [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.

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.

Please be aware that Council Members may not discuss or respond to matters raised during call to the public that are not specifically identified on the agenda. Council Members may however, in their discretion, discuss or respond to relevant matters raised during a noticed public hearing or agenda item.

- I. Other Business and Future Agenda Items
- J. City Council Reports
- K. 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).

- | | | | |
|-----|----------|--|-----------------|
| 21. | Internal | Consideration and action to recess into executive session to discuss and consider final candidates for appointment to the position of City Attorney pursuant to A.R.S. 38-431.03(A)(1). | Human Resources |
| 22. | Internal | Recess into executive session pursuant to A.R.S. § 38-461.03(A)(3)(4) for the purpose of receiving legal advice regarding eminent domain and considering its position in contemplated litigation and potential settlement discussions. | Legal |

L. Adjournment

KRISTI PASSARELLI, CITY CLERK

POSTED: Thursday, May 1st, 2025 @ 10:00 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 CLERK@SURPRISEAZ.GOV, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: City Clerk
Staff Recommendations:

Contact Person:
District: Internal

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
-------------	-------------	--------------------	-----------------------

Agenda Wording:

Invocation

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person:

Submitting Department: City Manager Office

District: Citywide

Staff Recommendations: None

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Shadow Ridge Soccer Team State Championship Recognition

Motion:

N/A

Background:

The Shadow Ridge Soccer Team will be recognized for their recent win at the State Championship.

Objective Analysis:

N/A

Policy Compliant:

N/A

Financial Impact:

There is no anticipated financial impact related to this item.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

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

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: City Manager Office
Staff Recommendations: None

Contact Person:
District: Citywide

Consent: No	Regular: Yes	Public Hearing: No	Report/Discussion: No
-------------	--------------	--------------------	-----------------------

Agenda Wording:

Professional Municipal Clerks Week

Motion:

N/A

Background:

N/A

Objective Analysis:

N/A

Policy Compliant:

N/A

Financial Impact:

There is no anticipated financial impact related to this item.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

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

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department:
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
-------------	-------------	--------------------	-----------------------

Agenda Wording:
City Manager sub-text

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: City Clerk
Staff Recommendations:

Contact Person: Kristi Passarelli, City Clerk
District: Internal

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
-------------	-------------	--------------------	-----------------------

Agenda Wording:

Municipal Clerks Week Open House

Motion:

N/A

Background:

56th Annual Professional Municipal Clerks Week
Join us for "Cookies with the Clerk"
Thursday, May 8
3pm - 5pm

Objective Analysis:

N/A

Policy Compliant:

N/A

Financial Impact:

N/A

Budget Impact:

N/A

FTE Impact:

N/A

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: City Clerk
Staff Recommendations:

Contact Person: Kristi Passarelli, City Clerk
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action to approve the April 15th, 2025 Regular City Council Meeting Minute, April 15th, 2025 Work Session Minutes, and April 15th, 2025 Executive Session Minutes.

Motion:

I move to approve the April 15th, 2025 Regular City Council Meeting Minutes, Work Session Minutes, and Executive Session Minutes

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. 041525 Regular Meeting Minutes
 2. 041525 Work Session Minutes
-



CITY OF SURPRISE
Regular City Council Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Tuesday, April 15, 2025 @ 6:00 PM
COUNCIL CHAMBERS

A. Call To Order

Mayor Sartor called the Regular Council Meeting of April 15th, 2025 to order at 6:00 p.m., located at Surprise City Hall, 16000 N. Civic Center Plaza, Surprise, AZ. 85374.

1. Invocation

The moment of silence was led by the Mayor.

B. Roll Call

In attendance with Mayor Sartor were Vice Mayor Jack Hastings, Council members Chris Judd, Patrick Duffy, Johnny Melton and Nick Haney. Councilmember Earle Greenberg was excused.

C. Pledge of Allegiance

Canyon Ridge National Junior Honor Society led in the Pledge of Allegiance.

D. Proclamation and Community Acknowledgements

Mayor Sartor acknowledged Valley Vista Unified Soccer team on their recent achievement.

Mayor Sartor also proclaimed that it was Community Development Week.

E. City Manager Report

2. City Manager sub-text

1. Presentation and discussion pertaining to the Community Paramedicine Program.

Bob Wigenroth, introduced Deputy Fire Chief Jesus Rivera. He talked about what the program is, type of visits, the demographic & statistics, and services referred.

Councilmember Haney talked about how great this program is, and the impact it has on all services.

3. Reports

City Manager, Bob Wigenroth, presented Shelby Fenwick. Shelby introduced the Youth Council Members.

Maddie Mize, Paradise Honors

Emma Tran, AZ Charter Academy

F. City Clerk Report

4. Reports

G. Regular City Council Meeting Agenda

5. CONSENT AGENDA:

Motion: To Approve

Initiated By: Jack Hastings

Seconded By: Nick Haney

Yes: Jack Hastings, Patrick Duffy, Chris Judd, Nick Haney, Kevin Sartor, Johnny Melton

No: None

Abstain: None

Vote Result: Passed

2. Consideration and action to approve the April 1st, 2025 Regular City Council Meeting Minutes
3. Consideration and action pertaining to approval of amendments to the Comprehensive Citywide Fee Schedule by increasing, removing, or newly adopting certain fees; Resolution #2025-19.
4. Consideration and action on accepting a Special Warranty Deed for Surprise Foothills North Well Site from Buena Vista Holdings, near Happy Valley Road and 227th Avenue.
5. Consideration and action on accepting a Special Warranty Deed for Surprise Foothills South Well Site from Buena Vista Holdings, 227th Avenue south of Happy Valley Road.
6. Consideration and action on accepting a Special Warranty Deed for Surprise Foothills Water Campus from Surprise Foothills Master LLC, near Deer Valley Road and 235th Avenue.
7. Consideration and action pertaining to approval of an amendment to an Intergovernmental Agreement (IGA) with the City of El Mirage for fire records management software sharing; Resolution #2025-42.
8. Consideration and action pertaining to approval of the 2025-2029 Five-Year Consolidated Plan and the Program Year 2025 Annual Action Plan.
9. Consideration and action pertaining to the approval of the North Copper Canyon Parcel 7.1 Alternative Assurance Agreement. City Case Number FS24-0823. Resolution #2025-26.
10. Consideration and action pertaining to adoption of certain amendments to the City of Surprise City Council Policies and Procedures Manual.
6. REGULAR AGENDA ITEM - PUBLIC HEARING:
7. REGULAR AGENDA ITEM - NON-PUBLIC HEARING:
13. Consideration and action pertaining to authorizing acceptance of an Intergovernmental Agreement with the Flood Control District of Maricopa County, approval of a Fiscal Year 2025 budget amendment moving budget in the amount of \$278,000 for one-time equipment costs to assume responsibility for operations and maintenance of an easement area at the McMicken Dam Project, amending the Fiscal Year 2025 Contract Awarding Authority List, and approval of the addition of four full-time equivalent (FTE) positions; Resolution #2025-46.

Holly Osborn, and Brad Mechan came to present this item. Brad introduced Paul Baughman from Maricopa County Flood Control District.

Paul, talked about the flood control district and future cooperation with the City.

Brad talked about the IGA Highlights. Holly talked about the Opportunities for Open Space, Budget, Next Steps - Parks & Recreation, and IGA.

Councilmember Judd, talked about the size and purpose of the proposed land. He thanked everyone for their support.

Councilmember Melton asked if there would be any impact on the Beardsly canal operations? Paul said the flood control district would be working with Maricopa water irrigation district. He talked about the Dam rehabilitation and improvements coming up.

Mayor Sartor, thanked everyone for their support.

Motion: To Approve
Initiated By: Chris Judd
Seconded By: Jack Hastings

Yes: Jack Hastings, Patrick Duffy, Chris Judd, Nick Haney, Kevin Sartor, Johnny Melton
No: None
Abstain: None

Vote Result: Passed

11. Consideration and action to approve a Real Estate Purchase Agreement with Deer Valley & 185th Avenue II, LLC, an Arizona Limited Liability Company, for approximately 40 acres of property located near 185th Avenue & Deer Valley Road; Resolution #2025-41.

Fire Chief, Brenden Espie, came with Chris Corney and Andrea Davis to present this item.

Brenden talked about the purpose of the item, Property Location, New Land Site Overview, Future Projects, Contract Specifics.

Councilmember Judd talked about planning where the City would be growing with the land purchase. He asked how much was paid for station 309? Andrea said it was about \$3.3 Million for 19 acres 4 years ago. He talked about the cost of land going up constantly and the potential savings for buying it now.

Councilmember Haney, talked about waiting and the more expensive the land will get and leveraging the land now. He talked about the potential use for 310 and potentially making the City's own training academy.

Motion: To Approve
Initiated By: Nick Haney
Seconded By: Chris Judd

Yes: Jack Hastings, Patrick Duffy, Chris Judd, Nick Haney, Kevin Sartor, Johnny Melton
No: None
Abstain: None

Vote Result: Passed

12. Consideration and action pertaining to authorizing the exchange of three (3) acres currently owned by the City of Surprise with three (3) acres of adjacent property currently owned by Asante Development Partners, LLC ("ADP"); and Asante Development Partners, LLC agreeing to sell two (2) additional acres of ADP Property to the City. Resolution # 2025-40, RFLS 8465.

Assistant Police Chief, Charles Morin, came to talk about this item. He talked about the Police Substation, Overall Site, Steps Done, and Next Step.

Motion: To Approve

Initiated By: Nick Haney

Seconded By: Chris Judd

Yes: Jack Hastings, Patrick Duffy, Chris Judd, Nick Haney, Kevin Sartor, Johnny Melton

No: None

Abstain: None

Vote Result: Passed

H. Call To The Public

Petri Ahonenin, A Surprise Resident, came to talk about ground water recharge fee.

I. Other Business and Future Agenda Items

J. City Council Reports

Councilmember Haney, talked about appreciating the budget discussions done earlier. He also talked about his upcoming community meeting.

Councilmember Duffy, thanked Councilmember Judd for his work on the McMicken Dam.

Councilmember Melton, thanked Councilmember Judd as well. He also thanked everyone for showing up for Founder's Day. He also talked about his upcoming community meeting.

Vice-Mayor Hastings, talked about attending a school board meeting. He thanked staff for their presentations.

Councilmember Judd, thanked everyone for their efforts for McMicken Dam.

Mayor Sartor thanked the directors and staff. He talked about the upcoming State of the City. He talked about the Sober Living Bill passing.

K. Executive Session

Motion: To Enter Executive Session

Initiated By: Jack Hastings

Seconded By: Patrick Duffy

Yes: Jack Hastings, Patrick Duffy, Chris Judd, Nick Haney, Kevin Sartor, Johnny Melton

No: None

Abstain: None

Vote Result: Passed

Council entered executive session at 7:04 PM

8. Executive Session Items

9. Executive Disclaimer - Part 1

10. Executive Disclaimer - Part 2

11. Executive Disclaimer - Part 3

12. Consideration and action to recess into executive session for discussion and consultation with the city attorney for legal advice and to consider the city council's position and instruct the city attorney pertaining to water storage matters pursuant to A.R.S. 38-431.03A.3. and 4.
13. Consideration and action to recess into executive session for discussion and consultation with the City's attorneys to consider its position and receive legal advice pertaining to current litigation pursuant to A.R.S. §§ 38-431.03 and 04.

L. Adjournment

Meeting reconvened at 8:08 PM

Motion: To Adjourn

Initiated By: Nick Haney

Seconded By: Jack Hastings

Yes: Jack Hastings, Patrick Duffy, Chris Judd, Nick Haney, Kevin Sartor, Johnny Melton

No: None

Abstain: None

Vote Result: Passed

Meeting adjourned at 8:09 PM

Kevin D. Sartor, Mayor

ATTEST:

Kristi Passarelli, City Clerk

CERTIFICATION:

I, Kristi Passarelli, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Meeting of **Tuesday, April 15, 2025.**

Kristi Passarelli, City Clerk



CITY OF SURPRISE
Regular City Council Work Session
16000 N. Civic Center Plaza
Surprise, AZ 85374
Tuesday, April 15, 2025 @ 4:30 PM
COUNCIL CHAMBERS

A. Call To Order

Mayor Sartor called the Regular Council Meeting of April 15th, 2025 to order at 4:30 p.m., located at Surprise City Hall, 16000 N. Civic Center Plaza, Surprise, AZ. 85374.

B. Roll Call

In attendance with Mayor Sartor were Vice Mayor Jack Hastings, Council members Chris Judd, Patrick Duffy, Johnny Melton and Nick Haney. Councilmember Earle Greenberg was excused.

C. Pledge of Allegiance

Mayor Sartor, led in the Pledge of Allegiance.

D. Proclamation and Community Acknowledgements

E. City Manager Report

1. City Manager sub-text

F. City Clerk Report

G. Regular City Council Work Session Agenda

1. CONSENT AGENDA:

2. REGULAR AGENDA ITEM - PUBLIC HEARING:

3. REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

1. Presentation and discussion pertaining to the FY2026 Budget

City Manager, Bob Wigenroth, introduced Budget Manager Sandy Simmons, and Chief Financial Officer Andrea Davis, came to present this item. She talked about the FY\$26 Budget Requests Specifically for: Public Safety, Public Works & Streets, Community Development, Community Services, General Government, and Water Resource Management, and upcoming budget calendar.

Vice-Mayor Hastings, asked about the number of officers added last year versus this year? Andrea talked about the challenges faced last year due to financial challenges, but stated that this was more than last year. Vice-Mayor Hastings said he liked the idea of the number being increased.

Mayor Sartor, asked if this was the update for the increase for each department? Andrea said this was per department and that they would talk about the tentative budget adoption and summary in future meetings.

Councilmember Haney asked about if the staffing was set to increase the motor divisions for the police department, and what is it that they deal with? Vice-Mayor Hastings how many officers the department currently had? Deputy Police Chief Charles Morin, said that the the City has 187

officers. Vice-Mayor Hastings asked for clarification of how many were being added? Chief Morin said they would be adding 15 then talked about the trend going from around 150 to 187 over the last three years.

Mayor Sartor asked about the projected retirements? Chief Morin said it would be around 10.

Councilmember Haney asked if another motor unit is being added? Chief Morin said they are expanding the traffic enforcement unit. Councilmember Haney asked what the motor officers do? Charles said they traffic enforcement, collisions, and do traffic investigations. Councilmember Haney talked about the citizen's concerns about traffic and how this will help.

Councilmember Melton asked if there were any plans for animal control officers? Charles said these are just for traffic and patrol, and would be motorcycle cops.

Sandy Simmons talked about transportation, and public works.

Councilmember Melton asked about the opening for Code Enforcement and if there was enough staff for code review. Lloyd said that there was enough staff.

Sandy further talked about Economic Development.

Andrea talked about Human Services and Community Vitality, Library, Parks & Recreation.

Mayor Sartor asked about the 250th Independence Day, and what budget it would impact? Holley said it would be for next year's budget, but they could come back for a 50/50 deposit.

Councilmember Duffy, asked about the Special Olympics? Holley said it was one time funding for them to have an event at the pool. She said they hoped to have all the fall events in Surprise.

Vice-Mayor Hastings, asked about developments down the road and the development of City Center? Holley said right now, funding wise they are limited, but wanted to expand eventually.

Andrea proceeded to talk about Sports & Tourism.

Kevin Sartor asked if the Library would be completely separate from Arts? Andrea said it would. He then asked about the coordinators for the Vista? Andrea said that was part of the first year ask.

Sandy talked about General Government Departments: City Attorney, City Clerk, City Manager.

Kevin Sartor asked about the Emergency Manager and if there was an FTE position considered to support? Andrea said it is currently not funded.

Sandy continued to talk about Finance, Human Resources, Information & Technology, Marketing & Communications.

Mayor Sartor, asked what the proposed FTE would do for marketing? Virginia said it would be a PIO and would be in charge of all the writing and to help manage all the projects in their department. Mayor Sartor asked about Social Media? Virginia said they split social media across their department.

Vice-Mayor Hastings asked about a social media manager position? Virginia said they had intended that a while ago, but the issue is the number of departments they serve. She talked about the balance of graphic design and social media. Vice-Mayor Hastings talked about social media.

Councilmember Haney asked about the need for the FTE for Communication and how this will

impact the department? Virginia said it would allow them to assess where all the responsibilities lie within the department. Andrea talked about how they have to balance positions within all the departments within the City.

Vice-Mayor Hastings, said he was glad to include this position. Virginia talked about the PIO position and how it aligns with government transparency, and the skills they would offer.

Andrea talked about Water Resource Management: Stormwater, Wastewater, Water.

Councilmember Melton, asked about the new operators being proposed and if they're dedicated for Circle City? Michael Boule, said that once the City takes over and that they would have to check on the location at least twice a day.

Andrea talked about the Upcoming Council Budget Calendar.

H. Other Business and Future Agenda Items

I. City Council Reports

J. Executive Session

1. Executive Session Items

2. Executive Disclaimer - Part 1

3. Executive Disclaimer - Part 2

4. Executive Disclaimer - Part 3

K. Adjournment

Motion: To Adjourn

Initiated By: Nick Haney

Seconded By: Jack Hastings

Yes: Jack Hastings, Patrick Duffy, Chris Judd, Nick Haney, Kevin Sartor, Johnny Melton

No: None

Abstain: None

Vote Result: Passed

Meeting Adjourned at 5:12 PM

Kevin D. Sartor, Mayor

ATTEST:

Kristi Passarelli, City Clerk

CERTIFICATION:

I, Kristi Passarelli, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Meeting of **Tuesday, April 15, 2025.**

Kristi Passarelli, City Clerk



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Lloyd Abrams, Director -
Community Development

Submitting Department: Community Development District: District 6

Staff Recommendations:

Consent: Yes

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action on approving a Water Meter Easement from Marley Park West, LLC, near Litchfield and Waddell Roads.

Motion:

I move to approve the Water Meter Easement from Marley Park West, LLC.

Background:

Marley Park West, LLC is putting a water meter on lot 12 of the Marley Park Square development. The Water Meter Easement is needed so that city staff may access the water meters for reading and billing.

Objective Analysis:

Approval of this item will allow the city to maintain access to the water meter that is located on a portion of the lot that is not accessible to the city.

Policy Compliant:

Approval of this item is policy compliant. The proposed easement will advance the goals and policies of the Surprise General Plan and the City Council's Strategic Plan.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the city will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

There is currently no budgetary impact related to approval of this item.

FTE Impact:

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

ATTACHMENTS:

1. Signed Water Easement Lot 12
 2. Marley Park West LLC Water Meter Easement - CC 05.06.25
-

City Clerk
City of Surprise
16000 North Civic Center Plaza
Surprise, AZ 85347

This Water Meter Easement (the “Easement”) Agreement is executed this 2ND day of APRIL, 2025 by and between Marley Park West, LLC, an Arizona limited liability company, hereinafter referred to a “Grantor” and the City of Surprise, an Arizona municipal corporation hereinafter referred to as “Grantee”.

A. Grantor is the fee title owner of a parcel of land as described in Deed 2016-0556790, public records of Maricopa County, Arizona.

B. Grantee desires to acquire from Grantor and Grantor desires to grant to Grantee a perpetual, exclusive water meter easement over, under and across portions (the "Easement Area") of the above-mentioned Grantor's property. The Easement Area is legally described in Exhibit "A and depicted on Exhibit "B".

By: Dr. J. Russell

This instrument was acknowledged and executed before me this 2nd day of April, 2025, by Daniel Cosnell.

me this 2nd day of 11.



NOTARY PUBLIC



GRANTEE:

CITY OF SURPRISE,
An Arizona municipal corporation

By: _____

Kevin Sartor

Its: Mayor

Attest:

Kristi Passarelli, City Clerk

STATE OF ARIZONA)
)SS.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Kevin Sartor, known by my as the Mayor of the City of Surprise an Arizona municipal corporation.

Notary Public

My Commission Expires:

December 22, 2022
3 Engineering Job No. 5157E

**LEGAL DESCRIPTION
FOR
WATER EASEMENT**

A portion of Lot 12 as shown on the **RE-PLAT OF MARLEY PARK SQUARE AMENDED**, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 1283 of Maps, Page 24 more particularly described as follows;

COMMENCING at the Northwest corner of said Lot 12;

Thence South 00 Degrees 02 Minutes 00 Seconds East along the West line of said Lot 12 a distance of 44.07 feet to the **TRUE POINT OF BEGINNING**;

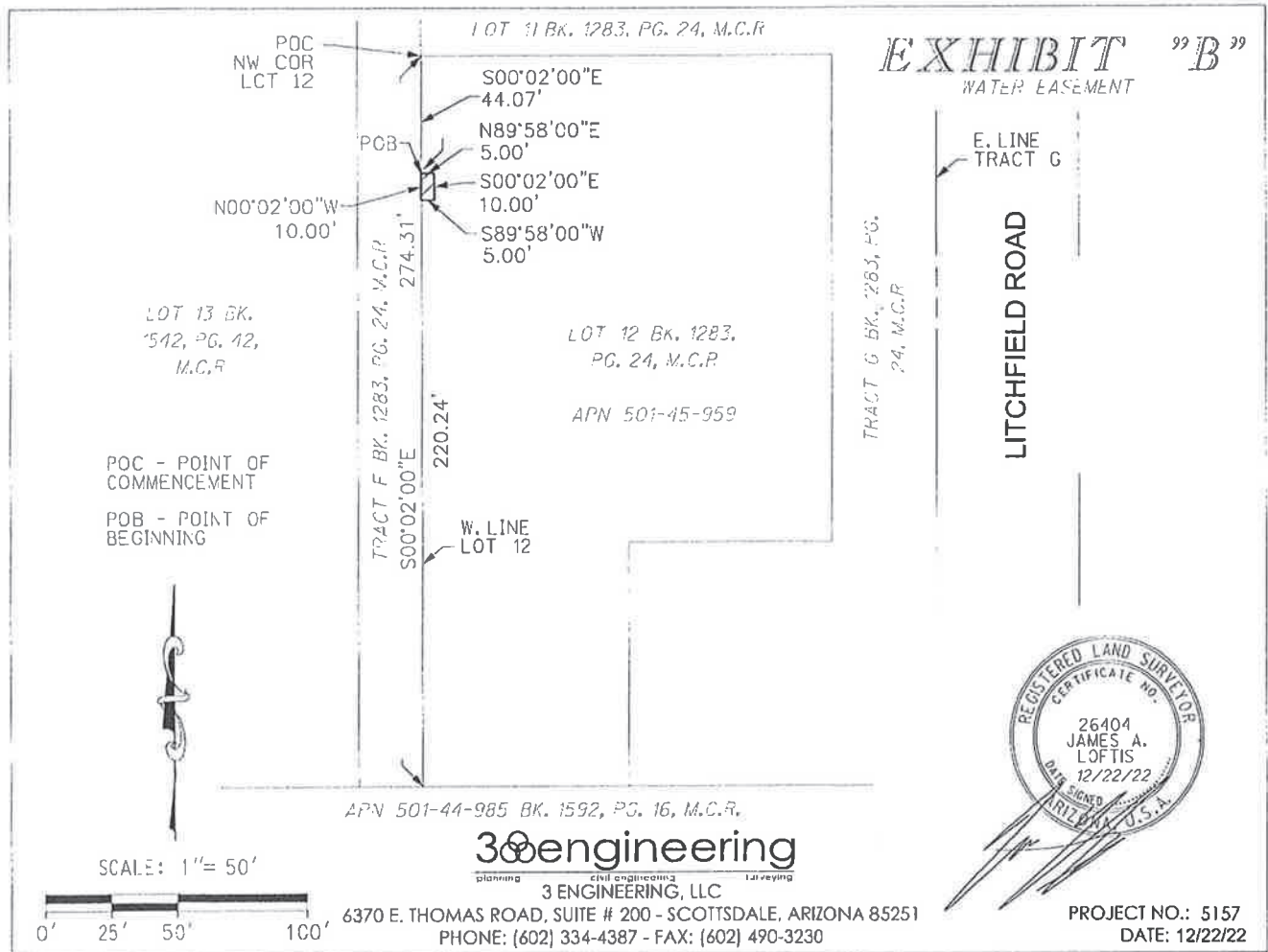
Thence North 89 Degrees 58 Minutes 00 Seconds East a distance of 5.00 feet;

Thence South 00 Degrees 02 Minutes 00 Seconds East a distance of 10.00 feet;

Thence South 89 Degrees 58 Minutes 00 Seconds West a distance of 5.00 feet to said West line;

Thence North 00 Degrees 02 Minutes 00 Seconds West along said West line a distance of 10.00 feet to the **POINT OF BEGINNING**.





Marley Park West, LLC

Water Meter Easement

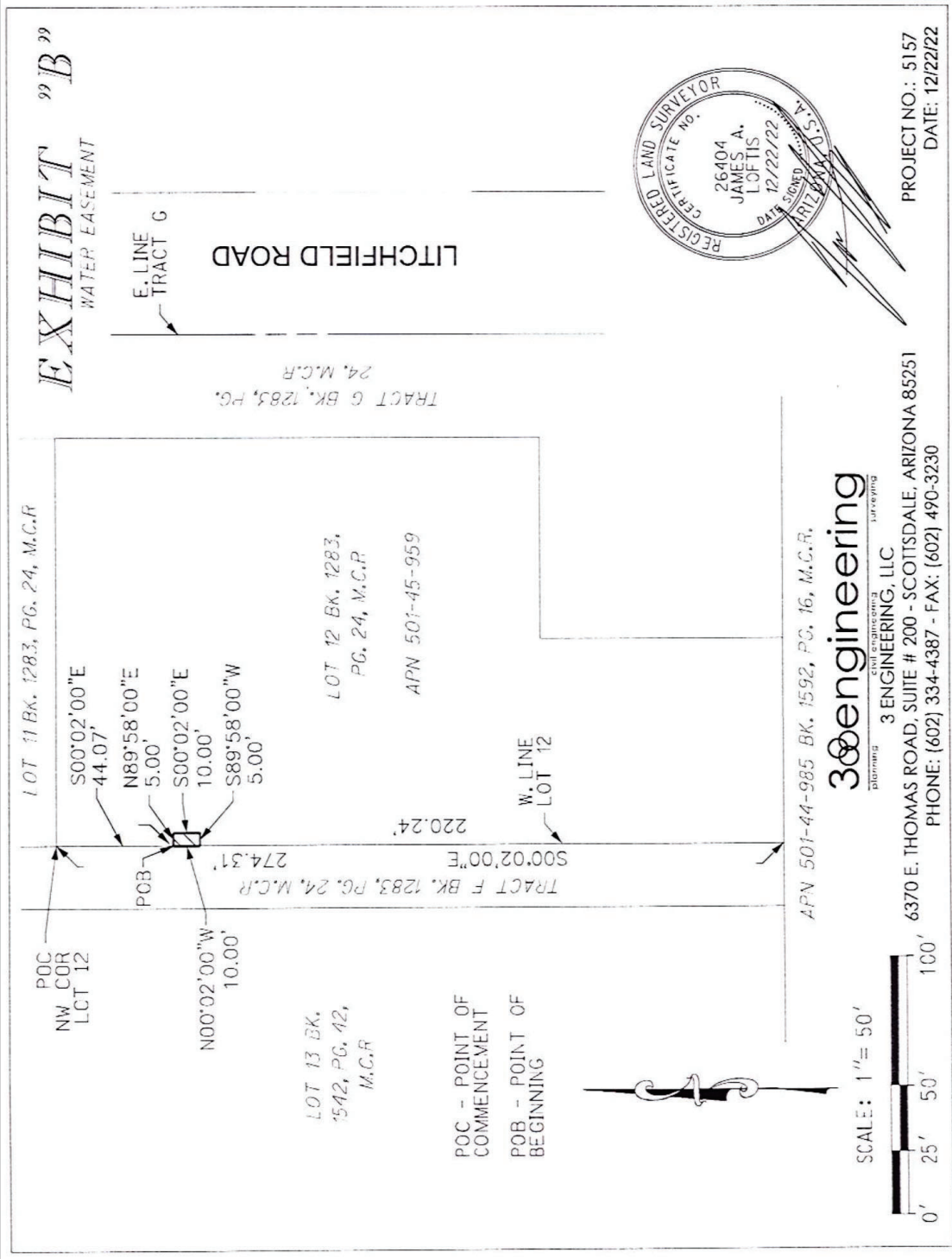
City Council
May 6, 2025



SURPRISE
ARIZONA
Page 27 of 311

VICINITY MAP





Questions or Comments?

THANK YOU



SURPRISE

ARIZONA
Page 30 of 311



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Lloyd Abrams, Director -
Community Development

Submitting Department: Community Development District: District 1

Staff Recommendations:

Consent: Yes

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action on accepting a transfer of right of way from Arizona State Land Department for the area of Patton Road and 195th Avenue.

Motion:

I move to approve accepting Right of Way from Arizona State Land Department.

Background:

In 2007, City Council approved Annexation Ordinance 2007-52 for the annexation of the area along Grand Avenue between Happy Valley Road and Patton Road for future development. Along with the land, right of way was annexed into the city. Once the annexation was complete, Maricopa County worked with the Arizona State Land Department to assign the right of way to the city, as it is now within the city limits.

Objective Analysis:

The Arizona State Land Department transferred the right of way to the appropriate jurisdiction once the annexation was complete. The right of way will allow the city to maintain the roads within the city limits.

Policy Compliant:

Approval of this item is policy compliant. The right of way transfer will advance the goals and policies of the Surprise General Plan and the City Council's Strategic Plan.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the city will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

There is currently no budgetary impact related to approval of this item. The city will plan for future

operations and maintenance of the right of way once all roads are installed and have been accepted by the city.

FTE Impact:

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

ATTACHMENTS:

1. Right of Way Transfer Document
 2. ASLD RW 16-105143 - CC 05.06.25 REVISED
-

STATE LAND DEPARTMENT
STATE OF ARIZONA

CHANGE OF GRANTEE NAME

Right of Way No. 16-105143

Expiration Date: Perpetual

Pursuant to Annexation Ordinance # 07-52 adopted on November 8, 2007,
the Grantee name on State Right of Way No. 16-105143 has been changed to:

CITY OF SURPRISE

STATE OF ARIZONA
State Land Commissioner



By Nancy C. Perry
Date April 23, 2009

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE 23-APR-2009
RUN TIME: 14:19:20
APPENDIX A
PAGE: 001

KE-LEASE#: 016-105143-00-001 APPTYPE: ASLD AMENDMENT

AMENDMENT#: 0

LAND#	LEGAL DESCRIPTION	AUS	ACREAGE
05.0-N-02.0-W-29-07-003-9008	M&B THRU SESE (ROW-3.59 AC) (TCE-0.60 AC)	0.00	4.190
05.0-N-02.0-W-32-07-030-9008	M&B THRU N2N2NENE (ROW-0.78 AC) (TCE-0.35 AC)	0.00	1.130
TOTALS:		0.00	5.320

**STATE LAND DEPARTMENT
STATE OF ARIZONA**

RIGHT-OF-WAY

Project No. 69006 – Patton Road
Item No. X-0850 (JPP)

R/W No. 16 - 105143

THIS INDENTURE, made January 13, 2000, by and between the State of Arizona, hereinafter called the Grantor, and

MARICOPA COUNTY

hereinafter called the Grantee.

WITNESSETH, that in accordance with the provisions of A.R.S. § 37-461, the Grantee herein has filed with the State Land Commissioner an application for a right-of-way for the purpose of constructing, operating, and maintaining

a public road

WHEREAS, the said map and field notes thereon have been adopted by the Grantee herein as the line of definite location of the aforesaid Right-of-Way, and which said right-of-way map is herein referred to and made a part hereof as fully as though set out herein, and

WHEREAS, it is understood and agreed by the Grantee herein that, as a condition precedent to the granting of the Right-of-Way applied for, the land covered by the said Right-of-Way shall be used for no purpose other than the location, construction and maintenance of said Right-of-Way over and across the following State lands, to-wit described in Appendix A.

TO HAVE AND TO HOLD the same for so long as it may be used for the purpose designated, and subject to the conditions and reservations set forth herein.

IT IS UNDERSTOOD AND AGREED that in case the necessity for the Right-of-Way shall no longer exist, or the Grantee should abandon or fail to use the same, then this grant shall become void, and the right to use the land and all the rights granted hereunder shall revert to the State of Arizona, whereupon the Grantee agrees to execute and deliver a complete release of all right, title and interest therein.

This grant is, and shall be binding upon the said Grantee, his successors and assigns.

IT IS FURTHER UNDERSTOOD AND AGREED that this Right-of-Way conveys no fee to the land described herein and no rights to any of the minerals, oil, gas, coal, natural products, etc., in said land and the State of Arizona reserves the right to grant mineral and/or oil and gas leases upon said land.

IT IS FURTHER UNDERSTOOD AND AGREED that the said Grantee shall not fence the said Right-of-Way, nor exclude from the use of the surface thereof the State of Arizona or its lessees or grantees.

THE SAID GRANTOR further reserves the right to grant to others, easements and rights-of-way over and across the lands described.

NOW THEREFORE, in accordance with the provisions of A.R.S. § 37-461 and agreeable to the conditions heretofore set forth, the Grantee herein is hereby authorized to locate, construct, operate and maintain said Right-of-Way over and across the State land described herein.

Grantee agrees to indemnify, hold and save Grantor harmless against all loss, damage, liability, expense, costs and charges incident to or resulting in any way from any injuries to person or damage to property caused by Grantee or resulting from the use, condition or occupation of the land.

EASEMENT CONDITIONS

- 1. With regard to the location, construction and maintenance of the Right-of-Way:**
 - (a) Grantee shall ensure full compliance with the terms and conditions of this grant by its agents, employees and contractors (including sub-contractors of any tier), and the employees of each of them.**
 - (b) Unless clearly inapplicable, the requirements and prohibitions imposed upon Grantee by these terms and conditions are also imposed upon Grantee's agents, employees, contractors, and sub-contractors, and the employees of each of them.**

- (c) **Failure or refusal of Grantee's agents, employees, contractors, sub-contractors, or their employees to comply with these terms and conditions shall be deemed to be the failure or refusal of Grantee.**
 - (d) **Grantee shall require its agents, contractors or sub-contractors to include these terms and conditions in all contracts and sub-contracts which are entered into by any of them, together with a provision that the other contracting party, together with its agents, employees, contractors and sub-contractors, and the employees of each of them, shall likewise be bound to comply with these terms and conditions.**
- 2. **All access roads over State land outside the Right-of-Way must be applied for and authorized in accordance with applicable regulations.**
- 3. **No material may be removed by Grantee or its contractors without the written approval of the Commissioner.**
- 4. **Grantee shall promptly notify the Commissioner of the amount of flora, if any, which will be cut, removed, or destroyed in the construction and maintenance of the project and shall pay the State Land Department such sum of money as the Commissioner may determine to be the full value of the flora to be so cut, removed or destroyed. Grantee shall notify the State Land Department and the Arizona Department of Agriculture 30 days prior to any destruction or removal of native plants to allow salvage of those plants where possible.**
- 5. **Grantee shall conduct all construction and maintenance activities in a manner that will minimize disturbance to all land values including, but not limited to vegetation, drainage channels, and streambanks. Construction methods shall be designed to prevent degradation of soil conditions in areas where such degradation would result in detrimental erosion or subsidence. Grantee shall take such other soil and resource conservation and protection measures on the land under grant as determined necessary by the State Land Department.**
- 6. **Grantee shall be required, upon completion of right-of-way construction, to make such rehabilitation measures on the State lands, including, but not limited to, restoration of the surface, revegetation, and fencing as determined necessary by the State Land Department.**
- 7. **Upon of the Right-of-Way, the Grantee shall remove all equipment or facilities and, so far as is reasonably possible, restore and/or rehabilitate the land to its original condition, to the satisfaction of the Commissioner.**

8. **Costs incurred by the Grantee in complying with restoration and rehabilitation requirements as determined by the State Land Department on State trust lands shall be borne by the Grantee.**
9. **Prior to surface disturbance, the Grantee hereof shall provide evidence of archaeological clearance to the Arizona State Land Department. Archaeological surveys and site mitigation must be conducted in accordance with rules and regulations promulgated by the Director, Arizona State Museum. In the event additional archaeological resources are detected by Grantee after receipt of archaeological clearance, all work shall cease and notification shall be given to the Director, Arizona State Museum.**
10. **THIS DOCUMENT is submitted for examination and shall have no binding effect on the parties unless and until executed by the Grantor (after execution by the Grantee), and a fully executed copy is delivered to the Grantee.**
11. **IN THE EVENT OF A DISPUTE between the parties to this Agreement, it is agreed to use arbitration to resolve the dispute but only to the extent required by A.R.S. § 12-1518; and, in no event shall arbitration be employed to resolve a dispute which is otherwise subject to administrative review by the Department pursuant to statute or Department Administrative Rule.**
12. **Grantor reserves the right to relinquish to the United States pursuant to the U.S. Act of August 30, 1890, land needed for irrigation works in connection with a government reclamation project.**
13. **Notice of authority to cancel this contract:**

This contract is subject to cancellation pursuant to A.R.S. § 38-511.
14. **Native Plant Law:**

If the removal of plants protected under the Arizona Native Plant Law is necessary to enjoy the privilege of this Document, the Grantee hereunder must previously acquire the written permission of the Arizona State Land Department and the Arizona Department of Agriculture to remove those plants.
15. **The State of Arizona, through its State Land Department, retains ownership of the land. The use of this Right-of-Way is to be non-exclusive. This easement is sold SUBJECT to existing reservations, easements or rights-of-way heretofore legally obtained and now in full force and effect.**

16. **The Department does not represent or warrant that access exists over other State lands which intervene respectively between this Right-of-Way easement and the nearest public roadway.**
17. **SUBJECT to the express condition that when the lands cease to be put to the stated purpose, said easement shall cease and terminate. Said termination shall be effected through judicial proceedings instituted by or on behalf of any officer or employee of the State of Arizona in a court of general jurisdiction of the State.**
18. **Grantee shall adhere to all rules, regulations, ordinances and building codes as promulgated by local jurisdiction and any applicable agencies.**
19. **Grantee shall not exclude from use of State of Arizona, its lessees or grantees, or the general public the right of ingress and egress over this roadway.**
20. **Grantee shall acquire any necessary permits from the Arizona Department of Transportation and/or the County Highway Department prior to construction.**

Within 30 days of project completion, Grantee shall submit a completed certificate of construction. (Copy Attached)

ENVIRONMENTAL INDEMNITY

Grantee shall protect, defend, indemnify and hold harmless the Grantor from and against all liabilities, costs, charges and expenses, including attorneys' fees and court costs arising out of or related to the presence of or existence of any substance regulated under any applicable federal, state or local environmental laws, regulations, ordinances or amendments thereto because of: (a) any substance that came to be located on the Right-of-Way due to Grantee's use or occupancy of the lands by the Grantee before or after the issuance of the Right-of-Way; or (b) any release, threatened release or escape of any substance in, on, under or from said Right-of-Way that is caused, in whole or in part, by any conduct, actions or negligence of the Grantee, regardless of when such substance came to be located on the Right-of-Way.

For the purposes of this Right-of-Way, the term "regulated substances" shall include substances defined as "regulated substances", "hazardous waste", hazardous substances", "hazardous materials", "toxic substances" or "pesticides" in the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984, the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the relevant local and state environmental laws, and the regulations, rules and ordinances adopted and publications promulgated pursuant to the local, state and federal laws. This indemnification shall include, without limitation, claims or damages arising out of any violations of applicable environmental laws, regulations, ordinances or subdivisions thereof, regardless of any real or alleged strict liability on the part of Grantor. This environmental indemnity shall survive the expiration or termination of this Right-of-Way and/or any transfer of all or any portion of the Premises and shall be governed by the laws of the State of Arizona.

In the event any such action or claim is brought or asserted against the Grantor, the Grantee shall have the right, subject to the right of the Grantor to make all final decisions with respect to Grantor's liability for claims or damages, (i) to participate with Grantor in the conduct of any further required cleanup, removal or remedial actions and/or negotiation and defense of any claim indemnifiable under this environmental indemnity provision, having reasonable regard to the continuing conduct of the operation/business located on the Premises and (ii) to participate with the Grantor in negotiating and finalizing any agreement or settlement with respect to any such claim or cleanup.

ADDITIONAL CONDITIONS

16-105143

1. Grantee shall adhere to all rules, regulations, ordinances, building codes, and permitting processes as promulgated by local jurisdiction, County, State and Federal agencies.
2. Roadway shall be built to County Specifications.
3. Grantee shall acquire any necessary permits from the Arizona Department of Transportation, and/or the County Highway Department prior to construction.
4. Grantee shall install cattle guards in the appropriate areas at the request of the Grantor.

ARIZONA STATE
LAND DEPARTMENT

2000 FEB 23 A 10:12

ADDITIONAL CONDITIONS

16-105143

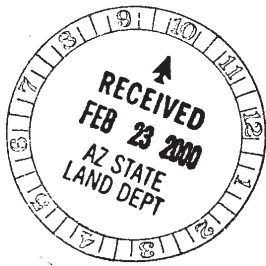
1. Grantee agrees, should any native plants need to be moved due to construction, to replant them onto adjacent State Trust land.
2. Grantee agrees to construct the roads in such a manner to prevent erosion.

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE: 14-JAN-2000
RUN TIME: 15:09:40
PAGE: 001

KELEASE 016-105143-00-000
AMENDMENT NUMBER 0

LAND#	LEGAL DESCRIPTION	C.C.	ACREAGE
05.0-N-02.0-W-29-07-003-9008	M&B THRU SESE (ROW-3.59 AC) (TCE-0.60 AC)		4.190
05.0-N-02.0-W-32-07-030-9008	M&B THRU N2N2NENE (ROW-0.78 AC) (TCE-0.35 AC)		1.130
	Totals		5.320



IN WITNESS HEREOF, the parties hereto have signed this Document effective the day and year set forth previously herein.

STATE OF ARIZONA, GRANTOR
Arizona State Land Commissioner

By: Leila G. Wilhelm 3/2/00
Date

(SEAL)

✓ MARICOPA COUNTY ✓
GRANTEE Date
✓ [Signature] ✓ FEB 02 2000
By Chariman of the Date
Board of Supervisors

✓ 2901 West Durango Street
Address
✓ Phoenix, Arizona 85009
City State Zip

GRANTEE'S CERTIFICATE OF CONSTRUCTION

RIGHT OF WAY NUMBER: _____

NAME OF GRANTEE: _____

DATE ISSUED: _____

PERMITTED USE: _____

LAND DEPARTMENT ADMINISTRATOR: _____

DATE CONSTRUCTION STARTED: _____

DATE CONSTRUCTION COMPLETED: _____

I hereby certify that the facilities authorized by the State Land Commissioner, were actually constructed and tested in accordance with the terms of the grant, in compliance with any required plans and specifications, and applicable Federal and State laws and regulations.

Grantee's Signature

Date

Title

**Return To: Arizona State Land Department
R/W Section
1616 W. Adams
Phoenix, AZ 85007**

ASLD RW 16-105143

Right-of-Way Transfer (Patton Road & 195th Avenue)

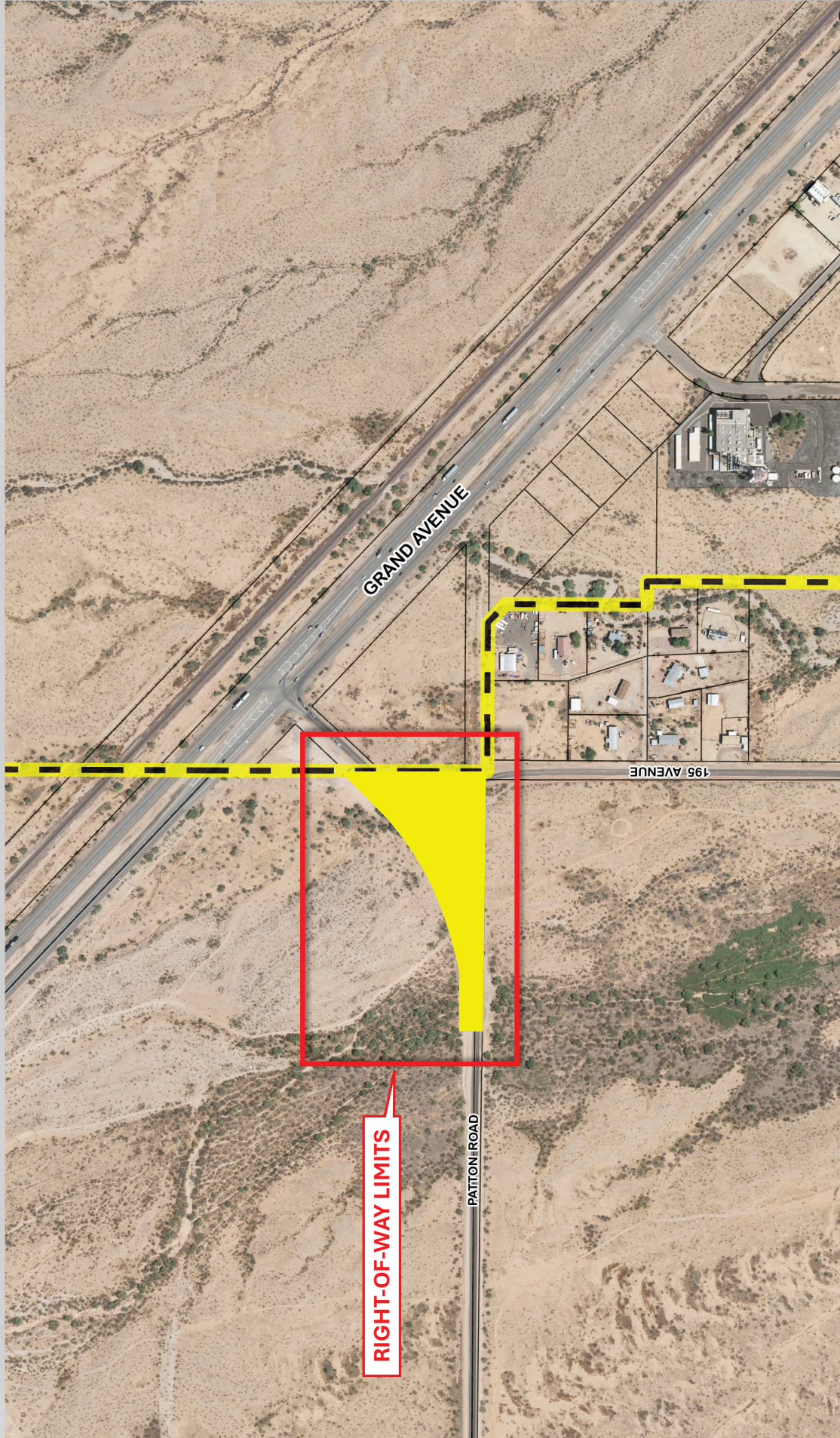
City Council
May 6, 2025

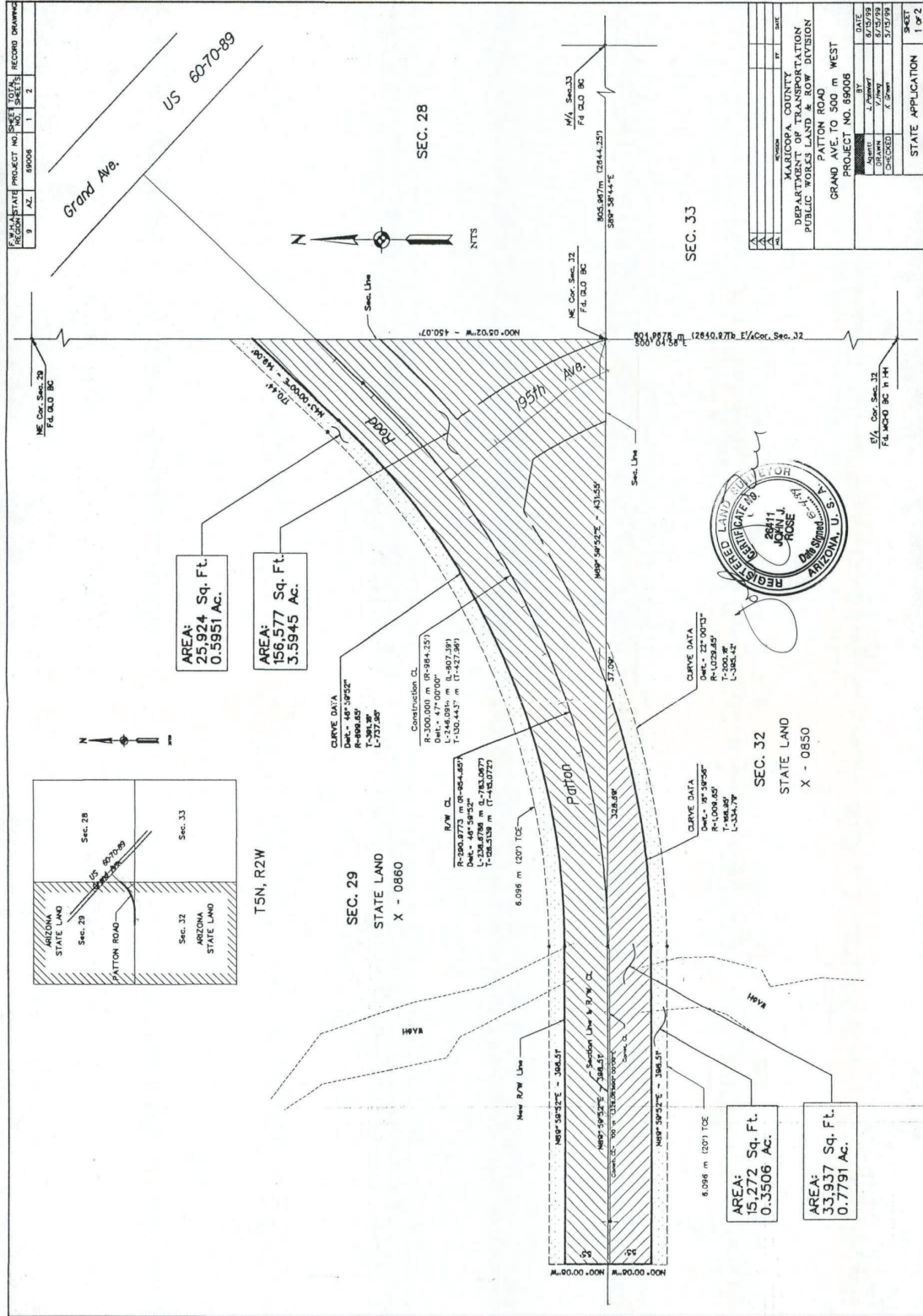


SURPRISE

ARIZONA
Page 48 of 311

VICINITY MAP





Questions or Comments?

THANK YOU



SURPRISE

ARIZONA
Page 51 of 311



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Lloyd Abrams, Director -
Community Development

Submitting Department: Community Development District: District 2

Staff Recommendations:

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and Action on accepting a Quit Claim Deed for dedication of right of way from Dysart Unified School District for right of way at Parkview Place north of Greenway Road.

Motion:

I move to approve accepting a Quit Claim Deed from Dysart Unified School District.

Background:

The City is working with Dysart Unified School District (DUSD) to install High-intensity Activated crossWalk (HAWK) signals at various high schools in the city. DUSD is dedicating right of way at Valley Vista High School to allow placement of the HAWK signal at a busy intersection to assist with student crossings.

Objective Analysis:

The additional safety features are needed to handle the increase in student crossings.

Policy Compliant:

Approval of this item is policy compliant.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the city will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

There is currently no budgetary impact related to approval of this item.

FTE Impact:

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

ATTACHMENTS:

1. DUSD VVHS QCD signed
 2. DUSD Valley Vista High School RW - CC 05.06.25
-

When Recorded Mail To:

City Clerk
City of Surprise
16000 N Civic Center Plaza
Surprise, AZ 85374

Exempt from filing an
Affidavit of legal value
A.R.S. §11-1134(A)(3)

QUIT CLAIM DEED

For the consideration of One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged,

Dysart Unified School District No 89 of Maricopa County, a political subdivision of the State of Arizona ("Grantor")

Does hereby quitclaim to the City of Surprise, an Arizona municipal corporation, all of Grantor's right, title, and interest in the real property as legally described in Exhibit A and depicted in Exhibit B.

Dated this 28th day of April, 2025.

GRANTOR: Dysart Unified School District No 89 of Maricopa County, a political subdivision of the State of Arizona

Marydel Speidell
By: [Signature]
Title: Assistant Superintendent for Business Services



State of Arizona)
)ss.
County of Maricopa)

This instrument was acknowledged and executed before me this 28th day of April, 2025, by Marydel Speidell.

My Commission Expires: 11/16/2027

[Signature]
Notary Public

GRANTEE: CITY OF SURPRISE, An Arizona municipal corporation

By: _____

Kevin Sartor

Its: Mayor

Attest:

Kristi Passarelli, City Clerk

State of Arizona)
)SS.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025,
by Kevin Sartor, known to me as the Mayor of the City of Surprise an Arizona municipal
corporation.

My Commission Expires: _____

Notary Public

EXHIBIT "A"

DESCRIPTION

ROAD RIGHT-OF-WAY DEDICATION

A portion of Lot 1 of the final plat of "VALLEY VISTA HIGH SCHOOL" as recorded in Book 1646, Page 35 records of Maricopa County, Arizona located in the Southeast Quarter of Section 5, Township 3 North, Range 1 West of the Gila and Salt River Meridian, City of Surprise, Maricopa County, Arizona described as follows:

COMMENCING at the South Quarter Corner of said Section 5, from which the Southeast Corner of said Section 5 Lies South 88°05'51" East 2632.08 feet;

Thence along the center line of Parkview Place North 00°07'21" East 140.05 feet to the beginning of a tangent curve, concave southeasterly, having a radius of 750.00 feet;

Thence continuing along said centerline northeasterly along the arc of said curve through a central angle of 44°56'28" a distance of 588.28 feet;

Thence continuing along said centerline North 45°03'49" East 352.90 feet;

Thence departing said centerline North 44°56'44" West 40.00 feet to the northwesterly right-of-way line of said Parkview Place and the POINT OF BEGINNING;

Thence departing said right-of-way line North 00°03'49" East 25.46 feet;

Thence North 45°03'49" East 47.00 feet;

Thence South 89°56'11" East 25.46 feet to said northwesterly right-of-way line;

The along said right-of-way line South 45°03'49" West 83.00 feet to the POINT OF BEGINNING.

Containing 1,170 square feet or 0.0269 acres, more or less.

Attached is EXHIBIT "B" and by this reference is made a part hereof.

End of description



EXHIBIT "B"



SCALE: 1"=150'
0 50 100 150

DYSART UNIFIED SCHOOL DISTRICT NO. 89
FINAL PLAT of "VALLEY VISTA HIGH SCHOOL"
BOOK 1046 PAGE 35 M.C.R.
LOT 1
APN 509-12-833

POB

LEGEND

POC POINT OF COMMENCEMENT
POB POINT OF BEGINNING
M.C.R. MARICOPA COUNTY RECORDER
APN ASSESSOR PARCEL NUMBER
ROW ROAD RIGHT-OF-WAY
ROW DEDICATION AREA=1,170 SQ. FT. +/-

LINE TABLE

LINE	BEARING	LENGTH
L1	N00°07'21"E	140.05'
L2	N45°03'49"E	352.90'
L3	N44°56'11"W	40.00'
L4	N00°03'49"E	25.46'
L5	N45°03'49"E	47.00'
L6	S89°56'11"E	25.46'
L7	S45°03'49"W	83.00'

CURVE TABLE

CURVE	Δ	RADIUS	LENGTH
C1	44°56'28"	750.00'	588.28'



S1/4 COR
SEC 5
T3N, R1W

POC

GREENWAY ROAD

SE COR
SEC 5
T3N, R1W

BEARING BASE: The south line of the southeast quarter of Section 5, Township 3 North, Range 1 West according to the plat of "THE ORCHARDS" as recorded in Book 560, Page 47, records of Maricopa County, Arizona

ROAD RIGHT-OF-WAY
DEDICATION



CITY OF SURPRISE
LAND SURVEY DEPARTMENT

PROJECT * 24013

DRAWN BY RCD

DATE 07-24-24

SHEET 1 OF 1

DUSD – Valley Vista High School

Quit Claim Deed

City Council
May 6, 2025

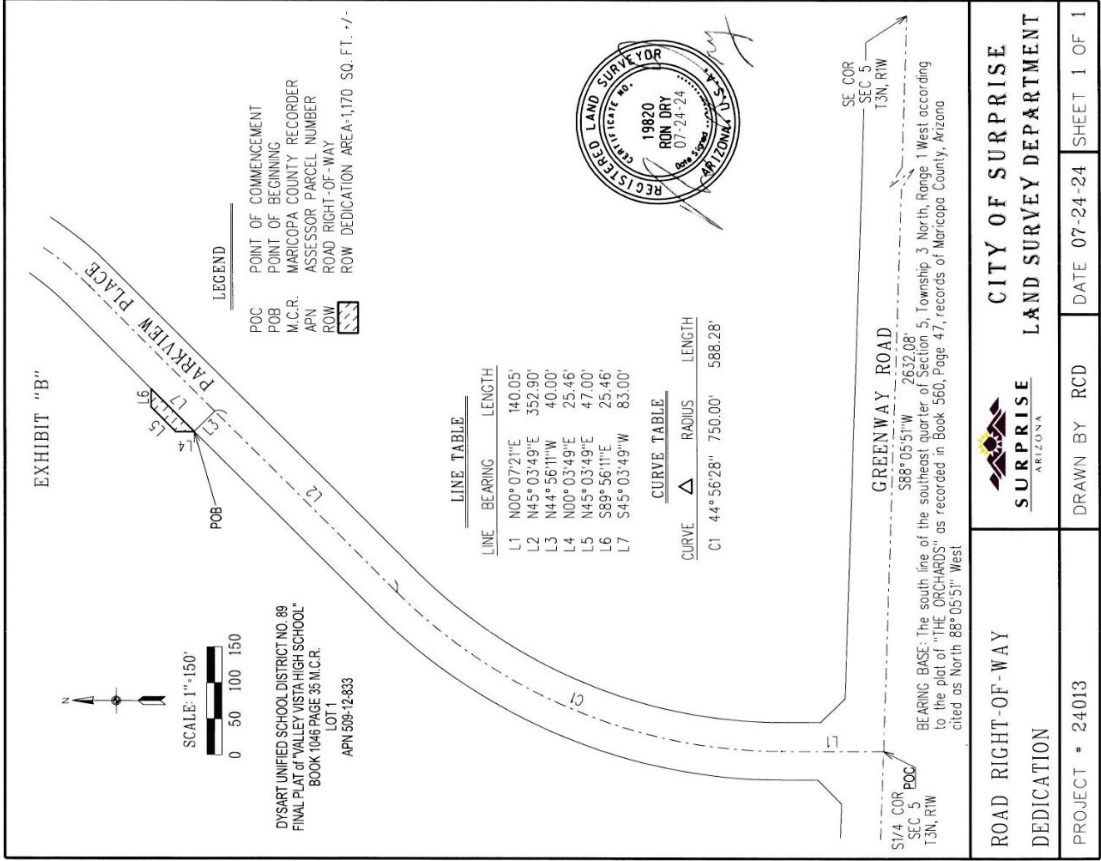


SURPRISE

ARIZONA
Page 58 of 311

VICINITY MAP





Questions or Comments?

THANK YOU



SURPRISE

ARIZONA
Page 61 of 311



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Lloyd Abrams, Director -
Community Development

Submitting Department: Community Development District: District 3

Staff Recommendations:

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and Action on accepting a Quit Claim Deed for dedication of right of way from Dysart Unified School District for right of way for the southeast corner of Perryville and Desert Cove Roads.

Motion:

I move to approve accepting a Quit Claim Deed from Dysart Unified School District.

Background:

The city is working with Dysart Unified School District (DUSD) to install High-intensity Activated crossWalk (HAWK) signals at various high schools in the city. Zanjero Trails HOA is working with the city and DUSD, dedicating right of way near Shadow Ridge High School to allow placement of one of the HAWK signals at a busy intersection to assist with student crossings.

Objective Analysis:

The additional safety features are needed to handle the increase in student crossings.

Policy Compliant:

Approval of this item is policy compliant.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the city will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

There is currently no budgetary impact related to approval of this item.

FTE Impact:

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

ATTACHMENTS:

1. DUSD Shadow Ridge QCD signed
 2. DUSD Shadow Ridge High School RW - CC 05.06.25
-

When Recorded Mail To:

City Clerk
City of Surprise
16000 N Civic Center Plaza
Surprise, AZ 85374

Exempt from filing an
Affidavit of legal value
A.R.S. §11-1134(A)(3)

QUIT CLAIM DEED

For the consideration of One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged,

Dysart Unified School District No 89, a political subdivision of the State of Arizona
("Grantors")

Does hereby quitclaim to the City of Surprise, an Arizona municipal corporation, all of Grantor's right, title, and interest in the real property as legally described in Exhibit A and depicted in Exhibit B.

Dated this 28th day of April, 2025.

GRANTOR: Dysart Unified School District No 89, a political subdivision of the State of Arizona

Marydel Speidell
By: [Signature]
Its: Assistant Superintendent for Business Services



State of Arizona)
) ss.
County of Maricopa)

This instrument was acknowledged and executed before me this 28th day of April, 2025, by Marydel Speidell

My Commission Expires: 11/16/2027

[Signature]
Notary Public

GRANTEE: CITY OF SURPRISE, An Arizona municipal corporation

By: _____

Kevin Sartor

Its: Mayor

Attest:

Kristi Passarelli, City Clerk

State of Arizona)
)ss.

County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025,
by Kevin Sartor, known by me as the Mayor of the City of Surprise an Arizona municipal
corporation.

My Commission Expires: _____

Notary Public

EXHIBIT "A"

DESCRIPTION

ROAD RIGHT-OF-WAY DEDICATION DYSART UNIFIED SCHOOL DISTRICT

A parcel of land located in Lot 1 of the final plat of "DUSD #89" as recorded in Book 1065, Page 16, records of Maricopa County, Arizona located in the Southwest Quarter of Section 22, Township 3 North, Range 2 West of the Gila and Salt River Meridian, City of Surprise, Maricopa County, described as follows:

COMMENCING at the Southwest Corner of said Section 22 from which the West Quarter Corner of said Section lies North 00°19'56" East 2636.82 feet;

Thence along the west line of said Southwest Quarter North 00°19'56" East 1418.74 feet;

Thence departing said line South 89°40'04" East 58.00 feet to the west line of said Lot 1 and the POINT OF BEGINNING;

Thence along the northwest line of said Lot 1 North 45°19'56" East 42.43 feet;

Thence along the north line of said Lot 1 South 89°40'04" East 11.31 feet;

Thence South 45°19'56" West 58.43 feet to said west line of Lot 1;

Thence along said west line North 00°19'56" East 11.31 feet to the POINT OF BEGINNING;

Containing 403 square feet, more or less.

Attached is EXHIBIT "B" and by this reference is made a part hereof.

End of description



EXHIBIT "B"

ZANJERO TRAILS PHASE 2
PARCEL 12B
BOOK 1282, PAGE 37 M.C.R.
TRACT B
APN 502-07-232

W 1/4 COR
SEC 22
T3N, R2W

PERRYVILLE ROAD



SCALE: 1"=60'



DESERT COVE ROAD

ZANJERO TRAILS PHASE 2
PARCELS 16 & 17
BOOK 1351, PAGE 49 M.C.R.
TRACT A
APN 502-07-593

LEGEND

POC POINT OF COMMENCEMENT
POB POINT OF BEGINNING
M.C.R. MARICOPA COUNTY RECORDER
APN ASSESSOR PARCEL NUMBER
ROW ROAD RIGHT-OF-WAY
 ROW DEDICATION AREA=403 sq. ft.

DUSD #89
BOOK 1065, PAGE 16 M.C.R.
LOT 1
APN 502-83-338

LINE TABLE

LINE	BEARING	LENGTH
L1	N45° 19'56"E	42.43'
L2	S89° 40'04"E	11.31'
L3	S45° 19'56"W	58.43'
L4	N00° 19'56"E	11.31'

S89° 40'04"E
58.00'
(TIE LINE)

N00° 19'56"E 1418.74'
(TIE LINE)

SW COR
SEC 22
T3N, R2W

POC

BEARING BASE: The West line of the southwest quarter of Section 22 as recorded in Book 1065, Page 16, M.C.R. cited as N00° 19'56"E



ROAD RIGHT-OF-WAY
DEDICATION



CITY OF SURPRISE
LAND SURVEY DEPARTMENT

PROJECT * 25006

DRAWN BY RCD

DATE 02-04-25

SHEET 1 OF 1

DUSD – Shadow Ridge High School

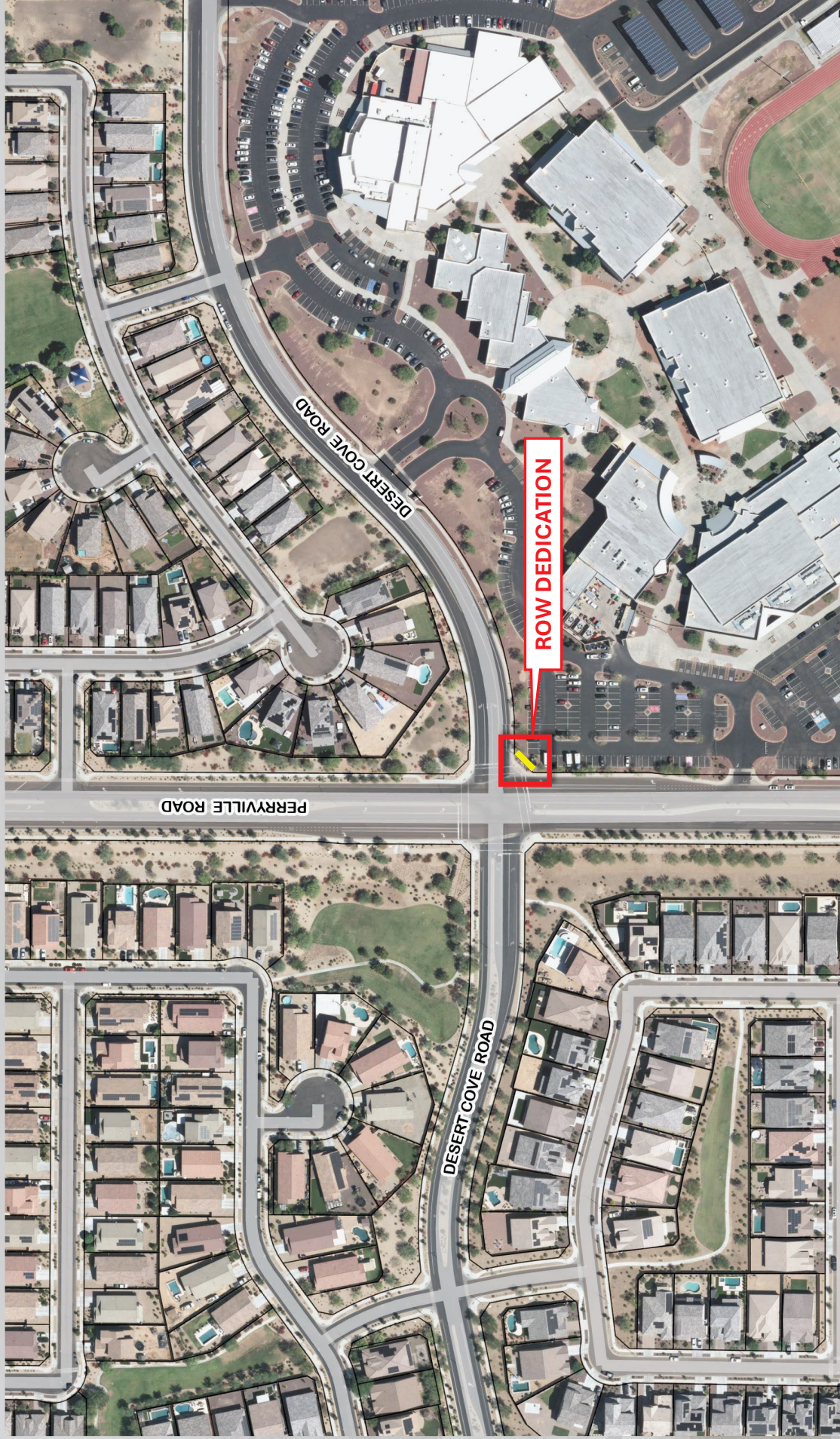
Quit Claim Deed

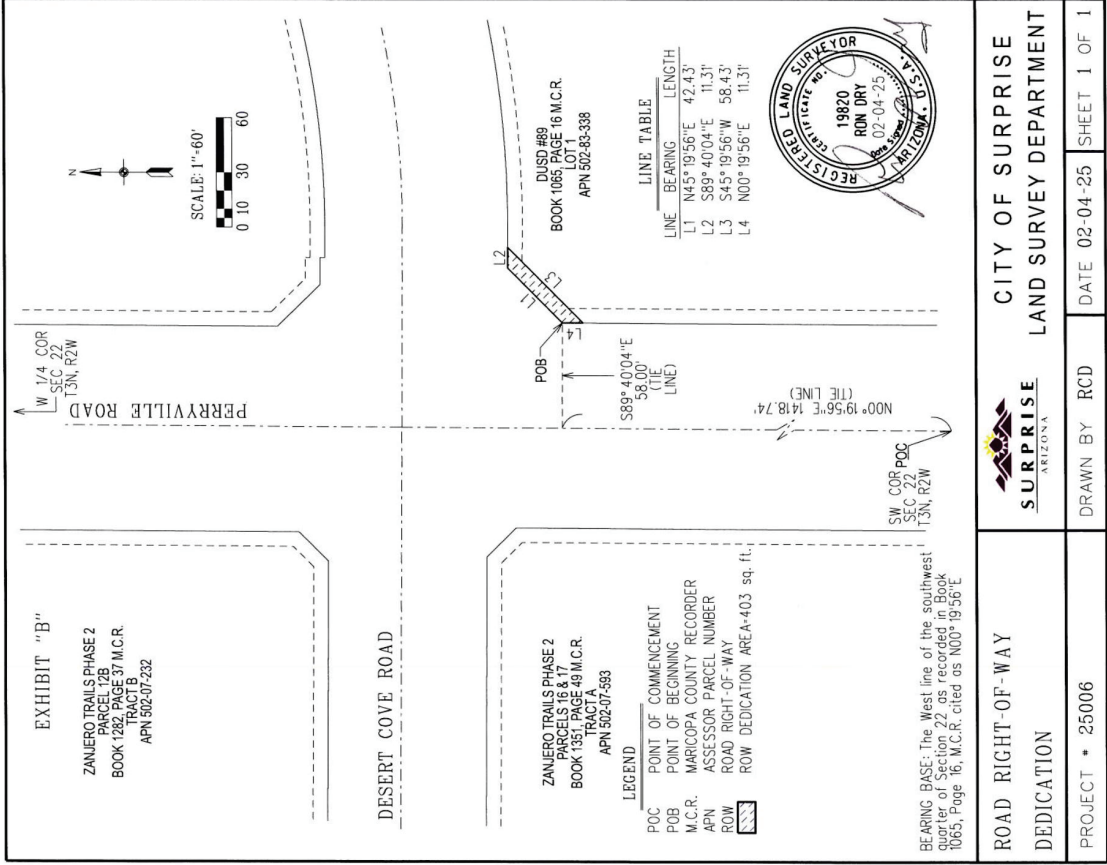
City Council
May 6, 2025



SURPRISE
ARIZONA
Page 68 of 311

VICINITY MAP





Questions or Comments?

THANK YOU



SURPRISE

ARIZONA
Page 71 of 311



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025 Contact Person: Deb Perry
Submitting Department: Human Svcs and Comm District: Citywide
Vitality
Staff Recommendations:

Consent: Yes	Regular: No	Public Hearing: No	Report/Discussion: No
--------------	-------------	--------------------	-----------------------

Agenda Wording:

Consideration and action pertaining to accepting additional funding from the Area Agency on Aging related to Contract 2025-36-SUR, and approval of a Fiscal Year 2025 budget amendment moving budget in the amount of \$9,700 for the purchase of kitchen equipment for the City of Surprise Senior Center Congregate Meal Program; Resolution #2025-50.

Motion:

I move to approve Resolution #2025-50.

Background:

The City of Surprise, through its Human Service & Community Vitality (HSCV) Department, was awarded Contract 2025-36-SUR for the period of July 1, 2024, through June 30, 2025, to support the Congregate Meal Program and a portion of the Senior Center multipurpose operations. Additional funding was available during the contract period for the purchase of kitchen equipment. Some of the equipment used in the congregate meal program has reached its useful life and needs to be replaced. A request for new equipment was submitted to the Area Agency on Aging for their consideration. The request was approved in the amount of \$9,690.03.

Objective Analysis:

Acceptance of this additional funding will allow the replacement of kitchen equipment used in the Congregate Meal Program that has reached its useful life.

Policy Compliant:

This item is compliant with City and Council policies.

Financial Impact:

This one-time funding allows for the purchase of kitchen equipment to replace items that have reached their useful life. The purchase of the new equipment will not exceed \$9,690.03 and is on a reimbursement basis. There is no match required for this additional funding.

Budget Impact:

The allocations below represent the moving of budget authority in the amount of \$9,700 from General Contingency to Project G51508 in the Grants Fund to cover projected expenditures associated with the Congregate Meal Program. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

FTE Impact:

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

ATTACHMENTS:

1. Resolution 2025-50 - AAA Kitchen Equipment Funding
 2. Exhibit B - Award Letter
-

RESOLUTION # 2025-50

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA AUTHORIZING THE CITY TO ACCEPT ADDITIONAL GRANT FUNDING FROM THE AREA AGENCY ON AGING FOR CONTRACT 2025-36-SUR; AND AMENDING THE FISCAL YEAR 2025 BUDGET BY MOVING BUDGET AUTHORITY OF \$9,700 FROM GENERAL CONTINGENCY TO PROJECT G51508 IN THE GRANTS FUND, FOR THE PURCHASE OF NEW KITCHEN EQUIPMENT.

WHEREAS, the City entered into Contract No. 2025-36-SUR (“Agreement”) with Area Agency on Aging (“Contractor”), effective July 1, 2024, which is incorporated by reference, in order to support the City of Surprise Senior Center Congregate Meal Program;

WHEREAS, the Agreement allotted up to \$80,000 for the Congregate Meal Program and \$12,000 for Senior Center operations;

WHEREAS, Contractor has additional funding available for kitchen equipment purchases in the amount of \$9,700, separate but related to the Agreement;

WHEREAS, the City desires to accept the additional funding for the purchase of new equipment for the Senior Center kitchen in support of the Congregate Meal Program;

WHEREAS, all terms and conditions of the Agreement shall remain in full force and effect, and are not otherwise affected by the acceptance of these additional related funds;

WHEREAS, the FY2025 budget was adopted by Council Resolution #2024-94 on June 4, 2024;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

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

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2024, through June 30, 2025.

Section 2. The Award Letter providing additional funding for the Congregate Meal Program, attached as *Exhibit B*, is approved.

Section 3. The City Manager, or his designee, is hereby authorized to execute and submit all documents and other necessary or desirable instruments in connection with said agreement.

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney

**RESOLUTION 2025-50
EXHIBIT A**

1. Appropriation - The allocations below represent the moving of budget authority in the amount of \$9,700 from General Contingency to Project G51508 in the Grants Fund to cover projected expenditures associated with the Congregate Meal Program. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

Fund	Department	Project/Category	Rev/ Exp	Current Budget	Increase/ (Decrease)	Amended Budget
Grants	Human Svcs and Comm Vitality	#G51508 FY25 AAA Meals	E	80,000	9,700	89,700
Grants	Human Svcs and Comm Vitality	#G51508 FY25 AAA Meals	R	80,000	9,700	89,700
Contingency	General Operations	Contingency	E	82,148,600	(9,700)	82,138,900
Contingency	General Operations	Other	R	77,167,900	(9,700)	77,158,200
Expense Total				82,228,600	-	82,228,600
Revenue Total				77,247,900	-	77,247,900

**RESOLUTION 2025-50
EXHIBIT B**

Award Letter



AREA AGENCY ON AGING
REGION ONE, INCORPORATED
50 YEARS OF IMPACT

March 26, 2025

Seth Dyson
City of Surprise
15832 N Hollyhock St
Surprise, AZ 85378

RE: Contract #2025-36-SUR

Dear Mr. Dyson:

The Area Agency on Aging, Region One, has approved your organization for \$9,690.03 in new kitchen equipment, the full amount of your request. Please submit your proof of purchase and reimbursement request to:

Contractsdepartment@aaaphx.org
ATTN: FY25 Kitchen Equipment Request

If you have any questions, please contact contractsdepartment@aaaphx.org and use "FY2025 Award" in the subject line.

Sincerely,

Mary Lynn Kasunic
President & CEO

MARY LYNN KASUNIC
President & CEO

1366 EAST THOMAS RD.
SUITE 108
PHOENIX, AZ 85014

PHONE
(602) 264-2255

TOLL-FREE
1-888-783-7500

24-HR Senior HELP LINE
(602) 264-4357
1-888-264-2258

FAX
(602) 230-9132

WEBSITE
www.aaaphx.org

EMAIL
answers@aaaphx.org



Area Agency on Aging

Benefits Assistance

Care Directions®

DOVES®

ElderVention®

Family Caregiver Support

Mosaic® Elder Refugee

Ombudsman

Senior HELP LINE



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Deb Perry

Submitting Department: Human Svcs and Comm
Vitality

District: Citywide

Staff Recommendations:

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the approval of the Memorandum of Understanding between Maricopa County and the City of Surprise to complete facility improvements to the Surprise Community & Resource Center; Resolution 2025-49.

Motion:

I move to approve Resolution 2025-49.

Background:

As part of the construction of the Surprise Community & Resource Center (SCRC), the City of Surprise will construct approximately 1,300 square feet of outdoor space to be dedicated to the Maricopa County Human Services Department Early Education Division ("EED") for a developmentally-appropriate playground area for children aged 0-5. Maricopa County intends to fully outfit this playground with all new developmentally-appropriate amenities in compliance with federal, state, county, and local requirements.

Working cooperatively with the City, Maricopa County will be responsible for the design, procurement, funding, management, payment, and oversight of the facility improvement project made within this allotted space, which may include but not be limited to: playground(s) and developmentally-appropriate climbing equipment, soft ground surface(s), natural elements like plants and trees, designated areas for water and sand play, open areas for running and smaller more contained spaces for focused play.

Once construction of outdoor area facility improvements is complete, the City will be responsible for any future maintenance, repairs, or improvements made to the area.

Objective Analysis:

Approval of this MOU will allow the City and County to continue providing a suitable and safe environment to facilitate the Head Start Program as the program moves into the new SCRC.

Policy Compliant:

This item is compliant with City and Council policies.

Financial Impact:

While this item does not have an immediate financial impact, the city will be responsible for any future maintenance, repairs, or improvements made to the area.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

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

ATTACHMENTS:

1. Resolution 2025-49 - Maricopa County MOU
 2. Exhibit A - Memorandum of Understanding
-

RESOLUTION # 2025-49

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA APPROVING A MEMORANDUM OF UNDERSTANDING WITH MARICOPA COUNTY FOR FACILITY IMPROVEMENTS TO THE SURPRISE COMMUNITY & RESOURCE CENTER.

WHEREAS, pursuant to Arizona Revised Statute §11-951, *et seq.*, the City of Surprise has the authority to enter into agreements with other governmental entities for the purposes set forth within;

WHEREAS, the parties desire to enter into a Memorandum of Understanding with Maricopa County in order to complete facility improvements being made to the exterior space at the Surprise Community & Resource Center, providing a developmentally appropriate outdoor playground for children aged 0-5 that complies with Federal, State, County, and local program and safety standards.

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

Section 1. The Memorandum of Understanding between the City of Surprise and Maricopa County, attached as Exhibit A, is approved.

Section 2. The City Manager, or his designee, is hereby authorized to execute and submit all documents and other necessary or desirable instruments in connection with said agreement.

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney

EXHIBIT A

MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SURPRISE AND MARICOPA COUNTY



MEMORANDUM OF UNDERSTANDING
BETWEEN
MARICOPA COUNTY
ADMINISTERED BY ITS
HUMAN SERVICES DEPARTMENT
AND
CITY OF SURPRISE

MOU Start Date: April 1, 2025

MOU Termination Date: June 30, 2026

Project Period: July 1, 2025, through June 30, 2026

1.0 PARTIES

This Memorandum of Understanding ("MOU") is entered into between the City of Surprise ("City") and Maricopa County, administered by its Human Services Department ("County"). The City and the County shall collectively be referred to as the "Parties" and individually as "Party."

2.0 INTENT

Maricopa County, through a 3rd Party Construction Contractor, administered by Maricopa County Facilities Management Division (FMD) will complete facility improvements (the "Project") at the Surprise Community & Resource Center ("SCRC"). The facility improvements will be made to the exterior space as identified in Exhibit XX. These improvements will provide a developmentally appropriate outdoor playground for children aged 0-5 that complies with Federal, State, County and local Program and safety standards.

3.0 TERM OF MOU

3.1 This MOU shall be effective through June 30, 2026.

3.2 Either Party may terminate this MOU at any time, with sixty (60) days' notice in writing to the other Party (unless terminated by either Party due to the Availability of Funds provision set forth below in 4.0 or the Termination provision set forth below in 10.0).

4.0 FACILITY IMPROVEMENT EXPENDITURE AMOUNT

The County expenditure shall not exceed \$249,999 for the facility improvements as outlined in Exhibit A Scope of Work, provided to the County by the U.S. Department of Health and Human Services (DHHS)/Administration for Children and Families (ACF), Office of Head Start (OHS).

5.0 AVAILABILITY OF FUNDS

Every performance of the Parties under this MOU is conditioned upon the availability of funds appropriated, allocated or granted for program service delivery. The County shall be the sole authority in determining the availability of funds under this Agreement. If the County determines

that funds are not available for completion of the Project outlined in the Exhibit A Scope of Work, the county may cancel this MOU. The County shall keep the City fully informed as to the availability of funds. The Project expenditure period of availability is July 1, 2025, through June 30, 2026.

6.0 AMENDMENTS

Any changes to this MOU shall be in writing and signed by both Parties.

7.0 ACRONYMS AND DEFINITIONS

Acronyms and Definitions found under 2 C.F.R. §§ 200.0 & 200.1 are incorporated by reference.

8.0 ADMINISTRATIVE CHANGE ORDERS

8.1 The Chairman of the Board of Supervisors is authorized, upon the recommendation of the Human Services Department Director and Legal Counsel, to review and execute administrative changes to the Agreement on behalf of the County through Administrative Change Orders. Administrative Change Orders will be effective upon execution by both the Parties. Administrative Change Orders shall address any of the following changes:

- 8.1.1 Modifications to the project timeline if the last day of the project timeline is within the MOU term.
- 8.1.2 Modifications to budget line items if the MOU amount remains unchanged.
- 8.1.3 Modifications required by federal, state, or County regulations, ordinances, or policies; and/or
- 8.1.4 Modifications to administrative requirements such as changes in reporting periods, frequency of reports, or report formats required by federal, state or local regulations, policies, or requirements.

9.0 RESPONSIBILITIES OF THE PARTIES:

9.1 The City shall:

- 9.1.1 Ensure the SCRC is constructed at 12641 W. Santa Fe Drive, Surprise, Arizona 85378.
- 9.1.2 Provide the County a fully prepared and improved pad site upon which County shall complete the Project improvements as outlined in Exhibit A.
- 9.1.3 Communicate with the County in a timely manner regarding changes to the Project timeline, anticipated delays or issues, significant disruptions and related issues, or other information the County should be aware of to complete the Project as outlined in Exhibit A.
- 9.1.4 Work alongside the County in the design and development of complimentary play structure(s) / feature(s) within the allotted space reflected in Exhibit A.
- 9.1.5 Provide the County's contractors and/or subcontractors with sufficient access and accommodation to allow them to complete the playground improvements and installations described in Exhibit A.
- 9.1.6 Maintain the construction schedule for the outdoor space for the playground area so that the Project is completed according to the set timeline and the County and/or its Contractors and subcontractors do not incur additional costs for the playground improvements and installations resulting from delays, additional time expenditures and/or changes to the scope of services.
- 9.1.7 Maintain, clean, repair and update the playground improvements and installations according to Property provision set forth below in 19.0.

9.2 The County shall:

- 9.2.1 Report to the U.S. Department of Health and Human Service Office of Head Start on the use of funds outlined in Exhibit A Scope of Work.
- 9.2.2 Follow the Federal Procurement Standards set forth in 2 C.F.R. § 200.318 to contract with a qualified Contractor to complete the improvements and installations described in the Scope of Work in Exhibit A.

- 9.2.3 Design and install a fully functional playground/play area, in compliance with all applicable laws, rules, and regulations regarding public improvements that the City must adhere to, as reflected in Exhibit A of this MOU, within the terms and conditions of this MOU.
- 9.2.4 The County understands and acknowledges that the City may be subject to certain laws, rules, and regulations regarding public improvements and that the Parties jointly will comply with all such laws, rules, and regulations to the extent applicable.
- 9.2.5 Communicate with the City in a timely manner regarding changes to the Project timeline, anticipated delays or issues, significant disruptions and related issues, or other information the City should be aware of to complete the Project as outlined in Exhibit A.
- 9.2.6 Ensure project compliance with federal, state, and County requirements as they relate to the Office of Head Start.

10.0 TERMINATION

- 10.1 Under A.R.S. § 38-511, the Parties may cancel this MOU without penalty or further obligation within three years (3) after execution of this MOU, if any person significantly involved in initiating, negotiating, securing, drafting or creating this MOU on behalf of one Party at any time while this MOU or any extension of this MOU is in effect, is or becomes an employee or agent of any other Party to this MOU in any capacity or consultant to any other party to this MOU with respect to the subject matter of this MOU. Additionally, pursuant to A.R.S. § 38-511, either Party may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting, or creating this MOU on behalf of the one Party from the other Party to this MOU arising as the result of this MOU. A cancellation notice made under this Subparagraph shall be effective when the recipient receives a written notice of cancellation unless the notice specifies a later date.
- 10.2 Either Party may terminate this MOU at any time by giving the other Party at least sixty (60) calendar days prior notice in writing (unless terminated by a Party under the Availability of Funds provision). Any notice shall be given by either personal delivery or registered or certified mail, postage prepaid and return receipt requested, to the persons at the addresses set forth in Section 13.0 of this MOU. In the event of termination, the Parties shall be liable for payment only for reimbursable costs incurred prior to the effective date of the termination, provided that such services were performed in accordance with the provisions of this MOU. Neither Party shall be liable for any incomplete or additional performance under the MOU unless expressly stated herein as an obligation that survives termination.
- 10.3 The County may suspend or terminate this MOU if the City violates any term or condition of this MOU or if the City fails to maintain a good-faith effort to carry out the purpose of this MOU

11.0 NOTICES

Communication and details concerning this MOU shall be directed to the following representatives:

Human Services Department
Director
234 N. Central Avenue, 3rd Floor
Phoenix, AZ 85004
Desk: 602-506-5911

Seth Dyson, Human Service & Community
Vitality
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

12.0 EMPLOYMENT DISCLAIMER

- 12.1 This MOU is not intended to constitute, create, give rise to, or to otherwise recognize a joint venture, partnership, or other formal business association or organization of any kind, and the rights and obligations of the Parties shall be only those expressly set forth in this MOU.

- 12.2 The City agrees that no individual performing under this MOU on behalf of the City shall be considered a County agent, employee, or representative and those individuals are not entitled to County civil service rights, County retirement rights, or any other rights provided under the County personnel rules, nor shall those rights accrue or apply to any such individual. The City shall have total responsibility for all salaries, wages, bonuses, retirement, withholdings, workers' compensation, occupational disease compensation, unemployment compensation, other employee benefits, and all taxes and premiums appurtenant thereto concerning such individuals and the City shall indemnify, defend and hold harmless the County with respect to the foregoing.
- 12.3 The County agrees that no individual performing under this MOU on behalf of County may be considered a City agent, employee, or representative and that no rights of City civil service, City retirement, or City personnel rules shall accrue or apply to any such individual. The County shall have total responsibility for all salaries, wages, bonuses, retirement, withholdings, workers' compensation, occupational disease compensation, unemployment compensation, other employee benefits, and all taxes and premiums appurtenant thereto concerning such individuals and the County shall indemnify, defend and hold harmless the City with respect to the foregoing.

13.0 GENERAL REQUIREMENTS

- 13.1 The terms of this MOU shall be construed in accordance with Arizona law and the applicable laws and regulations of the U.S. Department of Health and Human Services (DHHS)/Administration for Children and Families (ACF), Office of Head Start (OHS). Any lawsuit arising out of this MOU shall be brought in the superior court of Maricopa County, Arizona.
- 13.2 The Parties shall, without limitation, obtain and maintain all licenses, permits and authority necessary to do business, render services and perform work under this MOU, and shall comply with all laws regarding unemployment insurance, disability insurance and worker's compensation.
- 13.3 The Parties shall comply with the regulations prohibiting conflict of interest. The Parties shall not make any payments, either directly or indirectly, to any person, partnership, corporation, trust, or other organization that has a substantial interest in City's organization or with which the City (or any of its directors, officers, owners, trust certificate holders, or a relative thereof) has a substantial interest, unless a Party(ies) has made full written disclosure of the proposed payments to the County or the City and has received written approval for the payments.
- 13.4 For purposes of this provision, the terms "substantial interest" and "relative" shall have the meanings prescribed by A.R.S. § 38-502.

14.0 ASSIGNMENT AND SUBCONTRACTING

No right, liability, obligation, or duty under this MOU may be assigned, delegated, or subcontracted, in whole or in part, without the prior written approval of the other Party.

15.0 DISPUTES

- 15.1 Except as otherwise provided for in this MOU, the Parties may attempt to informally resolve any dispute arising out of this MOU for a reasonable period of time, but which shall not exceed ninety (90) calendar days. Disputes which are not resolved in that time period shall be submitted in accordance with the following formal dispute resolution process.
- 15.2 Notice of the specific grounds of a formal dispute shall be in writing and filed with the County Representative listed in the Notices paragraph within ten (10) business days from the expiration of the informal dispute resolution process described above in 15.1.
- 15.3 The County Representative shall respond in writing to the City within fourteen (14) business days. The decision of the County Representative shall be final and conclusive unless, within seven (7) business days after the date the City is served with the decision, the City files a written notice of appeal with the Human Services Department Director.

- 15.4 The Department Director shall provide the City with a written response within fourteen (14) business days following receipt of the notice of appeal. The decision of the Director shall be final.
- 15.5 In the event the City disagrees with the Director's decision, the City shall have every existing and future right or remedy available by law or in equity to resolve the dispute. If the Parties fail to come to a resolution through the dispute process set forth in this section 15.0, either Party may pursue formal litigation.

16.0 SEVERABILITY

If any provision of this MOU is determined to be invalid, void, or illegal by a court, that determination shall in no way affect, impair, or invalidate any other provision of this MOU, and the remaining provisions shall remain in full force and effect.

17.0 STRICT COMPLIANCE

One Party's acceptance of the other Party's performance that is not in strict compliance with the terms of this MOU, shall not be deemed to waive the requirements of strict compliance for all future performance. All changes in performance obligations under this MOU shall be in writing and signed by both Parties.

18.0 SINGLE AUDIT ACT REQUIREMENTS

The City is in receipt of federal funds through the County and is subject to the federal audit requirements of the Single Audit Act of 1984, as amended (Pub. L. No. 98-502) (codified at 31 U.S.C. § 7501, *et seq.*). The City shall comply with 2 C.F.R. § 200, Subpart F. Upon completion, such audits shall be made available for public inspection. Audits shall be submitted to the County within the twelve (12) months following the close of the fiscal year. The City shall take corrective action within six (6) months of the date of receipt of audit findings. The County shall consider sanctions as described in 2 C.F.R. § 200.505 if it is determined by the County that the City is not in compliance with the audit requirements.

19.0 PROPERTY

The use and disposition of real property and equipment under this MOU shall be in compliance with the requirements of 2 C.F.R. § 200 and 24 C.F.R. §§ 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

- 19.1 Any County facility improvements and property installed, furnished or purchased pursuant to the terms of this MOU shall be maintained, cleaned, repaired, updated and accounted for solely by the City in accordance with the Responsibilities of the Parties provision in 9.0. The costs to maintain and repair such property are the sole responsibility of the City as the sole and separate owner of the property known as the SCRC.
- 19.2 Any City facility improvements and property installed, furnished or purchased pursuant to the terms of this MOU shall be maintained, cleaned, repaired, updated and accounted for by the City as the sole responsibility of the City and sole and separate owner of the property known as the SCRC.

20.0 LIMITATION ON LIABILITY

The Parties hereby mutually agree that each Party and their respective agents, representatives, officials, officers, directors, employees, volunteers, departments, agencies, boards, committees, and commissions shall not be liable for any act or omission by the other Party or any and all of its agents, representatives, officials, officers, directors, employees, volunteers, departments, agencies, boards, committees, or commissions occurring in the performance of this MOU, nor shall the Parties and their respective agents, representatives, officials, officers, directors, employees, volunteers, departments, agencies, boards, committees, and commissions be liable for purchases or contracts made by the other Party or any and all of its agents, representatives, officials, officers, directors, employees, volunteers, departments, agencies, boards, committees, or commissions in connection with this MOU, except as otherwise provided by law.

21.0 RECIPROCAL INDEMNIFICATION

Each Party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other Party and its officers, officials, employees, and agents (collectively, "Indemnitees") from and against all claims, losses, liability, costs, or expenses (including reasonable attorneys' fees, expert fees and other litigation costs) (collectively referred to as "Claims") either arising from or related to breach of this MOU, property damage, or bodily injury (including death) of any person, but only to the extent that such Claims are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor or any of its officers, officials, agents, representatives, directors, employees, volunteers, departments, agencies, boards, committees, and commissions. The obligations under this Section 21.0 shall survive termination of this MOU.

22.0 INSURANCE

Each Party is a Public entity and shall provide the other Party with a Certificate of Self-Insurance equal to the types and amounts specified below:

General Aggregate	\$3,000,000
Each Occurrence Limit	\$1,000,000

23.0 OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity protection concerns, direct services under this MOU shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services, or services that are incidental to the performance of the MOU. This provision applies to all work performed by Cities or Subcontractors at all tiers

24.0 CLEAN AIR ACT

If the total face value of this MOU exceeds \$100,000, the Parties agree to comply with all regulations, standards and orders issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. §§ 7401, *et seq.*), to the extent any are applicable by reason of performance of this MOU.

25.0 LOBBYING

25.1 No federal appropriated funds have been paid or will be paid by or on behalf of the Parties to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal agreement, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal agreement, grant, loan, or cooperative agreement.

25.2 If any funds, other than federal appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any federal agreement, grant, loan or cooperative agreement, then the Party shall complete and submit OMB Form-LLL, titled "Disclosure of Lobbying Activities," in accordance with its instructions and 31 U.S.C. § 1352.

26.0 RELIGIOUS ACTIVITIES

The Parties warrant that none of their costs and none of the costs incurred by them or any of their contractors or subcontractors will include any expense related to any religious activities.

27.0 POLITICAL ACTIVITY PROHIBITED

None of the funds, materials, property, or services contributed by the County under this MOU shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

28.0 COVENANT AGAINST CONTINGENT FEES

The City warrants that no persons or entities have been employed or retained by it to solicit or secure this MOU upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty, the County may immediately terminate this MOU without liability.

29.0 WAGE DETERMINATION REQUIREMENTS

29.1 The Parties warrant that they shall pay all of its employees who are engaged in either performing work or providing services under the terms of this MOU not less than the minimum wage specified under Section 206(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. §§ 201, et seq.), by law and regulation, and, as applicable, Executive Order 13658, as amended, and as specified by Arizona law.

29.2 Pursuant to the Federal Funding Provisions and Compliance Requirements as set forth in the Davis Bacon and Related Acts (collectively, the DBRA) as amended (40 U.S.C. §3141 et seq) and further identified below in subparagraph 49.2, requires the payment of prevailing wage rates to all laborers and mechanics on Federal Government and District of Columbia construction projects in excess of \$2,000. Pursuant to DBRA, and 29 C.F.R. part 1 as amended, the attached Wage Rate Determination Sheets outlined in Exhibit B attached (General Decision Number AZ20230039 09/01/2023) represent the most current Wage Rate Determinations issued by the US Department of Labor and represent the minimum wages to be paid for any labor provided under this contract. It is the sole responsibility of the Parties to ensure compliance with DBRA, including but not limited to verifying the most current wage rate determination(s) for each wage classification.

30.0 BUILD AMERICA, BUY AMERICA PREFERENCE (BABA)

The Parties agree, to the greatest extent practicable and consistent with law, to provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products) pursuant to the Build America, Buy America Act (BABA), enacted as part of the Infrastructure Investment and Jobs Act (IIJA). Pub. L. 117-58, 41 U.S.C. § 8301 and in compliance with 2 C.F.R. § 200.322. The requirements of this section must be included in all subawards, contracts, and purchase orders for work performed by the Parties as outlined in Exhibit A.

31.0 RECOGNITION OF COUNTY SUPPORT

The City shall give recognition to the County and the funding source for its support when the City publishes materials or releases public information that is paid for in whole or in part with funds received by the City under this MOU.

32.0 NONDISCRIMINATION, EQUAL OPPORTUNITY AND EQUAL ACCESS

The City agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any contractors or subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Arizona State Library Research website:

<http://azmemory.azlibrary.gov/cdm/singleitem/collection/execorders/id/680/rec/1>) which is hereby incorporated into this MOU as if set forth in full herein. In connection with any service or other activity under this MOU, the City shall not discriminate against any employee, client, or any other individual in any way on the grounds of age, race, creed, color, religion, sex, disability, political affiliation, belief or national origin. The City shall include this clause in all of its Subcontracts. Refer to Paragraph 43.0, (Default and Remedies for Noncompliance).

33.0 DISABILITY REQUIREMENTS

The City agrees that any electronic or information technology offered under this MOU shall comply with A.R.S. §§ 41-2531 and -2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

34.0 EQUAL EMPLOYMENT OPPORTUNITY

- 34.1 The Parties shall not discriminate against any employee or applicant for employment because of race, age, disability, color, religion, sex, sexual identity, gender identity, or national origin.
- 34.2 The Parties shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, age, disability, color, religion, sex, sexual identity, gender identity, or national origin. Such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 34.3 The Parties will, in all solicitations or advertisements for employees placed by or on behalf of the City, state that it is an Equal Opportunity or Affirmative Action employer.
- 34.4 The Parties shall post on public display for all employees that it is an Equal Opportunity or Affirmative Action employer.
- 34.5 The Parties shall and shall cause their respective contractors and subcontractors to comply with:
 - 34.5.1 Title VI and VII of the Civil Rights Act of 1964, as amended (42 U.S.C. §§ 2000a, *et seq.*);
 - 34.5.2 the Rehabilitation Act of 1973, as amended (29 U.S.C. §§ 701, *et seq.*).
 - 34.5.3 the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. §§ 621, *et seq.*);
 - 34.5.4 the Americans With Disabilities Act of 1990 (42 U.S.C. §§ 12101, *et seq.*); and
 - 34.5.5 Arizona Executive Order 2009-09, as amended, *et seq.* which mandates that all persons shall have equal access to employment opportunities.
- 34.6 The Parties shall include the above listed provisions in every subcontract or purchase order, specifically or by reference. The inclusion of these provisions is binding and a requirement of this MOU.

35.0 UNIFORM ADMINISTRATIVE REQUIREMENTS

By entering into this MOU, the Parties agree to comply with all applicable provisions of Title 2, Subtitle A, Chapter II, Part 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS contained in Title 2 C.F.R. §§ 200, *et seq.*, and OMB Circulars.

36.0 RETENTION OF RECORDS

- 36.1 This provision applies to all financial and programmatic records, supporting document, statistical records, and other records of the City that are related to this MOU.
- 36.2 The City shall retain all records relevant to this MOU for six (6) years after project closeout or until after the resolution of any audit questions which could be more than six (6) years, whichever is longer, and the County, federal and state auditors and any other persons duly authorized shall have full access to, and the right to examine, copy, and make use of any and all of the records. Any such access shall be coordinated with the City, which shall include, without limitation, restricting audits to the normal business hours of the City and being accompanied with City staff while on site.

37.0 ADEQUACY OF RECORDS

If the City's books, records and other documents related to this MOU are not reasonably sufficient to support and document that allowable services were provided to eligible participants as determined by a court of competent jurisdiction, then the City shall reimburse the County for the services not supported and/or documented.

38.0 IMMIGRATION LAWS AND REGULATIONS

38.1 Federal Immigration and Nationality Act

38.1.1 The City understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 ("IRCA"). The City agrees to comply with the IRCA in performing under this MOU and to permit the other Party to reasonably inspect personnel records to verify such compliance, to the extent required by law.

38.1.2 By entering into this MOU, the City warrant compliance with the Federal Immigration and Nationality Act ("FINA") and all other federal immigration laws and regulations related to the immigration status of its employees. The City shall obtain statements from their subcontractors certifying compliance and shall furnish the statements to the County upon request. These warranties shall remain in effect through the term of the MOU. The City and their subcontractors shall also maintain Employment Eligibility Verification forms ("I-9") as required by the U.S. Department of Labor's Immigration and Control Act for all employees performing work under the MOU. I-9 forms are available for download at USCIS.GOV.

38.1.3 The County may request verification of compliance for any employee, contractor or subcontractor performing work under the MOU. Should the County suspect or find that the City or any of its contractors or subcontractors are not in compliance, then the County may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the MOU for default, and suspension or debarment (or both) of the City. All costs necessary to verify compliance are the responsibility of the City or its contractors or subcontractors.

38.2 **Arizona Law:** The Parties warrant that they are in compliance with A.R.S. § 41-4401 (E-Verify requirements) and further acknowledge that:

38.2.1 The Parties and their respective Vendors, if any, warrant their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. § 23-214;

38.2.2 A breach of a warranty under Subparagraph 38.2.1 shall be deemed a material breach of this MOU and either Party may immediately terminate this MOU without liability; and

38.2.3 The Parties and any respective contracting government entity retain the legal right to inspect the papers and employment records of the other Party or its Vendor's or Subcontractor's employees who work on this MOU to ensure that the other Party or Subcontractor or Vendor is complying with the warranty provided under Subparagraph 38.2.1 and that the Parties mutually agrees to make all papers and employment records of those employees available during normal working hours in order to facilitate such an inspection.

39.0 DRUG FREE WORKPLACE ACT

The Parties shall comply with the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701, *et seq.*), which requires that grantees of federal funds must certify that they will provide Drug-Free workplaces. This certification is a precondition to receiving a grant or entering into this MOU.

40.0 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

40.1 The undersigned, by signing this MOU, represents that he/she has the authority to bind the City to the terms of this Certification. The City, as the primary participant in accordance with 2 C.F.R. Part 180, certifies to the best of its knowledge and belief that it and its principals:

- 40.1.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- 40.1.2 Have not within a 3-year period preceding the Start Date of this MOU, been convicted of or had a civil judgment rendered against them for: (1) the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or a contract under a public transaction; (2) the violation of any federal or State antitrust statutes; or (3) the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property
- 40.1.3 Are not presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with the commission of any of the offenses enumerated in Sub-subparagraph 40.1.2 above; and
- 40.1.4 Have not, within a three-year period preceding the Start Date of this MOU, had one or more public transactions (federal, state, or local) terminated for cause or default.
- 40.2 The City agrees to include, without modification, this clause in all lower tier covered transactions (i.e., transactions with Subcontractors) and in all solicitations for lower tier covered transactions related to this MOU.

41.0 EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:

- 41.1 The Parties agree that this MOU and their employees working on this MOU will be subject to the whistleblower rights and remedies in the federal pilot program established at 41 U.S.C. § 4712 by Section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112–239) and Section 3.908 of the Federal Acquisition Regulation;
- 41.2 The City shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. § 4712, as described in Section 3.908 of the Federal Acquisition Regulation. Documentation of such employee notification must be kept on file by the City and copies provided to County upon request; and
- 41.3 The Parties shall insert the substance of this clause, including this Paragraph 40.0, in all subcontracts over the agreed upon simplified acquisition threshold (\$250,000 as of June 2021).

42.0 SURVIVAL

The indemnification, hold harmless, defense, and non-liability provisions of this MOU shall have full force and effect notwithstanding any other provisions in this MOU and shall survive the termination or expiration of this MOU.

43.0 DEFAULT AND REMEDIES FOR NONCOMPLIANCE

- 43.1 Notwithstanding anything to the contrary, this Section shall not be deleted or superseded by any other provision of this MOU.
- 43.2 This MOU may be immediately terminated by a Party if the other Party defaults by failing to perform any objective or breaches any obligation under this MOU, or any event occurs that jeopardizes the other Party's ability to perform any of its obligations under this MOU.
- 43.3 Failure to comply with the requirements of this MOU and all the applicable federal, state, or local laws, rules, and regulations may result in suspension or termination of this MOU, the return of unexpended funds (less just compensation for work satisfactorily completed that, to date, had not been reimbursed), the reimbursement of funds improperly expended, or the recovery of funds improperly acquired. Noncompliance includes, but is not limited to:
 - 43.3.1 Non-performance of any obligations required by this MOU.

- 43.3.2 Noncompliance with any applicable federal, state, or local laws, rules, or regulations.
- 43.3.3 Noncompliance with applicable financial record requirements, accounting principles, or standards established by OMB circulars and 2 C.F.R. §§ 200 et seq.
- 43.3.4 Noncompliance with recordkeeping, record retention, or reporting requirements.
- 43.4 Notwithstanding the suspension or termination of this MOU, or the final determination of the proper disposition of funds, the Parties, without intent to limit or with restrictions, be subject to the following:
 - 43.4.1 Acknowledge that suspension or termination of this MOU does not affect or terminate any rights against any Party at the time of suspension or termination, or that may accrue later. Nothing herein shall be construed to limit or terminate any right or remedy available under this MOU.
 - 43.4.2 Waiver of a breach or default of any term, covenant, or condition of this MOU or any federal, state, or local law, rule, or regulation shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, condition, law, rule, or regulation.
- 43.5 Each Party shall, upon notice or with knowledge obtained by itself or others, take any and all proactive actions necessary, and provide any and all applicable remedies to address and correct any act by itself, and any and/or all of its agents, representatives, officers, officials, directors, employees, volunteers, successors, assigns, or Subcontractors that resulted in any wrongdoing (intentional or unintentional); misuse or misappropriation of funds; the incorrect or improper disposition of funds; any violation of any federal, state, or local law, rule, or regulation; or the breach of any certification or warranty provided in this MOU.

44.0 ADMINISTRATIVE REQUIREMENTS

- 44.1 Accounting Standards – The City agrees to comply with this MOU and to adhere to the accounting principles and procedures required to utilize adequate internal controls and maintain necessary source documentation for all costs incurred, as well as any applicable federal laws and regulations. The City further agrees to maintain an adequate accounting system that provides for appropriate grant accounting (including calculation of program income).
- 44.2 Documentation and Record Keeping - The City agrees to comply with this MOU and the following record keeping requirements:
 - 44.2.1 Records to be maintained – The City shall maintain all financial records as required by 2 C.F.R. § 200, and OMB Circulars;
 - 44.2.2 Property Records - The City shall maintain property and equipment inventory records that clearly identify properties and equipment purchased, improved, or sold. Properties and equipment retained shall continue to meet eligibility criteria and shall conform to the use of property and equipment.

45.0 UYGHUR FORCED LABOR PREVENTION ACT (UFLPA)

- 45.1 The Parties mutually warrant and certify that they do not currently, and agree for the duration of this MOU that they will not use:
 - 45.1.1 The forced labor of ethnic Uyghurs in the People's Republic of China.
 - 45.1.2 Any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.
 - 45.1.3 Any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.
- 45.2 If either of the Parties become aware during the term of this MOU that they are not in compliance with this paragraph, the Party(ies) shall notify the other within five business days after becoming aware of the noncompliance. Failure of either Party to provide a

written certification that the other Party has remedied the noncompliance within one hundred eighty (180) days after notifying the public entity of its noncompliance, this MOU shall terminate unless the Term of this MOU shall end prior to said one hundred eighty (180) day period.

46.0 FORCE MAJEURE

- 46.1 Neither Party shall be liable for failure of performance, nor incur any liability to the other Party on account of any loss or damage resulting from any delay or failure to perform all or any part of this MOU if such delay or failure is caused by events, occurrences, or causes beyond the reasonable control and without negligence of the Parties. Such events, occurrences, or causes will include Acts of God/Nature (including fire, flood, earthquake, storm, hurricane, or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, riots, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, lockout, blockage, embargo, labor dispute, strike, pandemic, and interruption or failure of electricity or telecommunication service.
- 46.2 Each Party, as applicable, shall give the other Party notice of its inability to perform and particulars in reasonable detail of the cause of the inability. Each party must use best efforts to remedy the situation and remove, as soon as practicable, the cause of its inability to perform or comply.
- 46.3 The Party asserting Force Majeure as a cause for non-performance shall have the burden of proving that reasonable steps were taken to minimize delay or damages caused by foreseeable events, all non-excused obligations were substantially fulfilled, and the other Party was timely notified of the likelihood or actual occurrence that would justify such an assertion, so that other prudent precautions could be contemplated.

47.0 SYSTEM FOR AWARD MANAGEMENT

The City shall have a valid Unique Entity Identifier (UEI) number and an active profile in the federal System for Award Management, or [SAM.gov](https://sam.gov). Documentation of the UEI Number must be included in all project files. The City must remain current with their registration throughout the term of the MOU per 2 C.F.R. § 25.300; Appendix A to 2 C.F.R. § 25.

48.0 PROVISIONS REQUIRED BY LAW

Each and every provision of law and any clause required by law to be in this MOU will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this MOU will promptly be physically amended to make such insertion or correction.

49.0 ADDITIONAL CERTIFICATIONS AND WARRANTIES

- 49.1 The City understands that it has certain obligations under this MOU that have been passed through to the County from Office of Head Start (OHS) with respect to this MOU. The City shall hold the County harmless and indemnify it against any damage or other liability which County may incur with respect to OHS as a result of any failure on the part of City to comply with the requirements of any such obligation.
- 49.2 The Parties and their contractors and subcontractors shall be obligated to the requirements of this MOU including:
 - 49.2.1 The Labor Standards Regulations set forth in 24 C.F.R., Part 570.603; the Davis-Bacon Act as amended (40 U.S.C. §3141 et seq) (see final rule Memorandum #244 pertaining to Davis-Bacon and Related Acts regulations here <https://www.dol.gov/sites/dolgov/files/WHHD/AAM/AAM244.pdf>);
 - 49.2.2 the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq).

- 49.2.3 the Copeland "Anti-Kickback" Act (18 U.S.C. 874, et seq; 40 U.S.C. § 276a-276a-5; 40 USC § 327 and 40 USC § 276c; and
- 49.2.4 implementing regulations of the U.S. Department of Labor at 29 C.F.R. Parts 1, 3, 5, 6 and 7 and all other applicable Federal, state and local laws and regulations pertaining to labor standards. The Parties shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available upon request by each Party.
- 49.3 This MOU constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior agreements, representations, statements and undertakings are hereby expressly cancelled.
- 49.4 The section headings and subheadings contained in this MOU are included for convenience only and shall not limit or otherwise affect the terms of this MOU

[Signatures contained in the following page]

IN WITNESS THEREOF, The Parties have signed this MOU:

APPROVED BY:
CITY OF SURPRISE

APPROVED BY:
MARICOPA COUNTY

City Manager Date

Thomas Galvin, Chairman Date
Board of Supervisors

Attested To:

Attested To:

City Clerk Date

Juanita Garza, Clerk of the Board Date

IN ACCORDANCE WITH A.R.S. §§ 9-240, 11-952, THIS MOU HAS BEEN REVIEWED BY THE UNDERSIGNED ATTORNEY WHO HAS DETERMINED IT IS PROPER IN FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO THE CITY OF SURPRISE UNDER THE LAWS OF THE STATE OF ARIZONA.

IN ACCORDANCE WITH A.R.S. §§ 11-201, 11-251, AND 11-952, THIS MOU HAS BEEN REVIEWED BY THE UNDERSIGNED ATTORNEY WHO HAS DETERMINED IT IS PROPER IN FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO MARICOPA COUNTY UNDER THE LAWS OF THE STATE OF ARIZONA.

APPROVED AS TO FORM:

APPROVED AS TO FORM:

BY: _____
Attorney for the City Date

BY: _____
Deputy County Attorney Date

EXHIBIT A – SCOPE OF WORK

- 1.0** Scope of Work. City of Surprise will be constructing a new, approx. 1,300 sf outdoor space to be dedicated to the Maricopa County Human Services Department Early Education Division (“EED”) for children aged 0-5 which will be a developmentally appropriate playground area. The area and depiction of the Scope of Work is detailed on Exhibit “XX” attached to this MOU and incorporated herein by reference.

Maricopa County intends to fully outfit this playground with all new developmentally appropriate amenities in compliance with federal, state, County and local requirements. Working cooperatively with the City of Surprise, Maricopa County, administered by its Facilities Management Division (FMD) will be responsible for the design, procurement, funding, management, payment, and oversight of the facility improvement Project made within this allotted space, which may include but not be limited to: Playground(s) and developmentally -appropriate climbing equipment, soft ground surface(s), natural elements like plants and trees, designated areas for water and sand play, open areas for running and smaller more contained spaces for focused play.

City of Surprise agrees to furnish the space, complete with all shown supportive construction, including the perimeter fence, entry/exit gate(s), drinking fountain(s), and exterior building wall and overhead canopy, as identified in Exhibit XX, for the County or their subcontractor(s) to install their scope of work. The City’s costs associated with the construction of any and all improvements required by this document are limited to those shown in Exhibit XX, including, and expressly limited to, those costs incurred in the construction of the City’s portion of the building, fencing, and its surrounding areas. The County’s obligations are limited to only the facility improvements shown within the identified area, as described in this Exhibit A.

- 2.0** Commencement and Completion. County, through a 3rd party, shall cause construction of the Improvements to be prosecuted with reasonable diligence so that the Improvements are completed substantially in accordance with the Final Plans and expected Completion Date, free and clear of all liens or claims for materials, labor, services, or other items furnished in the construction of the Improvements, and in full compliance with all building, zoning and other applicable local, state and federal ordinances and regulations.

- 3.0** Right of City to Inspect. The City and any other agent or representative of the City shall have the right to inspect the construction of the Improvements at any time. This provision shall not impose on the City any obligation to inspect or to correct any defects discovered or to notify any person with respect thereto.

- 4.0** Exterior Playground Project Overview: While exact details of what is to be installed in the referenced area will be determined jointly during the design-phase with the County’s selected vendor, the intent of this MOU is that the County will work with the selected vendor to design and install an outdoor developmentally appropriate playground and feature(s) consistent with County’s current Head Start and Early Head Start Program and may include but not necessarily be limited to:

- 1) Site Preparation
- 2) Footings / Foundations

- 3) Positive Drainage away from building
- 4) Playground(s), Structure(s), Play Equipment (with or without shade – considering height limitations imposed by adjacent City Structure)
- 5) Poured-in-Place or other safe play surfacing including required subbase
- 6) Artificial Turf and/or required subbase
- 7) Concrete and/or other exterior, walkable surface(s) for complete play area

EXHIBIT B PROJECT WAGE DETERMINATION SHEETS

"General Decision Number: AZ20240039 05/17/2024

Superseded General Decision Number: AZ20230039

State: Arizona

Construction Type: Building

County: Maricopa County in Arizona.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658.

Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	◆ Executive Order 14026 generally applies to the contract. ◆ The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	◆ Executive Order 13658 generally applies to the contract. ◆ The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours performing on that contract in 2024.

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

Modification Number	Publication Date
0	01/05/2024
1	01/19/2024
2	05/17/2024

BRAZ0003-001 07/01/2023

	Rates	Fringes
BRICKLAYER.....	\$ 32.74	9.52

ELEC0640-002 01/01/2023

	Rates	Fringes
ELECTRICIAN.....	\$ 33.10	13.58

ENGI0428-016 06/01/2023

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
Bulldozer.....	\$ 31.69	13.52
Crane.....	\$ 36.04	13.52

IRON0075-012 10/01/2023

	Rates	Fringes
IRONWORKER.....	\$ 32.00	18.91

PLUM0469-010 07/01/2023

	Rates	Fringes
PIPEFITTER.....	\$ 45.65	18.00
PLUMBER.....	\$ 45.65	18.00

* SHEE0359-001 07/01/2023

	Rates	Fringes
SHEET METAL WORKER.....	\$ 44.32	19.01

* SUAZ2019-002 06/12/2023

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 22.41	0.00
DRYWALL HANGER.....	\$ 20.02	0.00
LABORER: Common or General.....	\$ 17.95	3.97
LABORER: Mason Tender - Cement/Concrete.....	\$ 18.11	3.64
LABORER: Pipelayer.....	\$ 16.77 **	1.05
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 24.61	3.42
OPERATOR: Loader.....	\$ 17.53	5.08
OPERATOR: Roller.....	\$ 23.62	6.44
PAINTER.....	\$ 19.85	3.54
TILE SETTER.....	\$ 21.50	0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.20) or 13658 (\$12.90). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing

EXHIBIT D

the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

State Adopted Rate Identifiers

Classifications listed under the "SA" identifier indicate that the prevailing wage rate set by a state (or local) government was adopted under 29 C.F.R. 1.3(g)-(h). Example: SAME2023-007 01/03/2024. SA reflects that the rates are state adopted. ME refers to the State of Maine. 2023 is the year during which the state completed the survey on which the listed classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 01/03/2024 reflects the date on which the classifications and rates under the ?SA? identifier took effect under state law in the state from which the rates were adopted.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

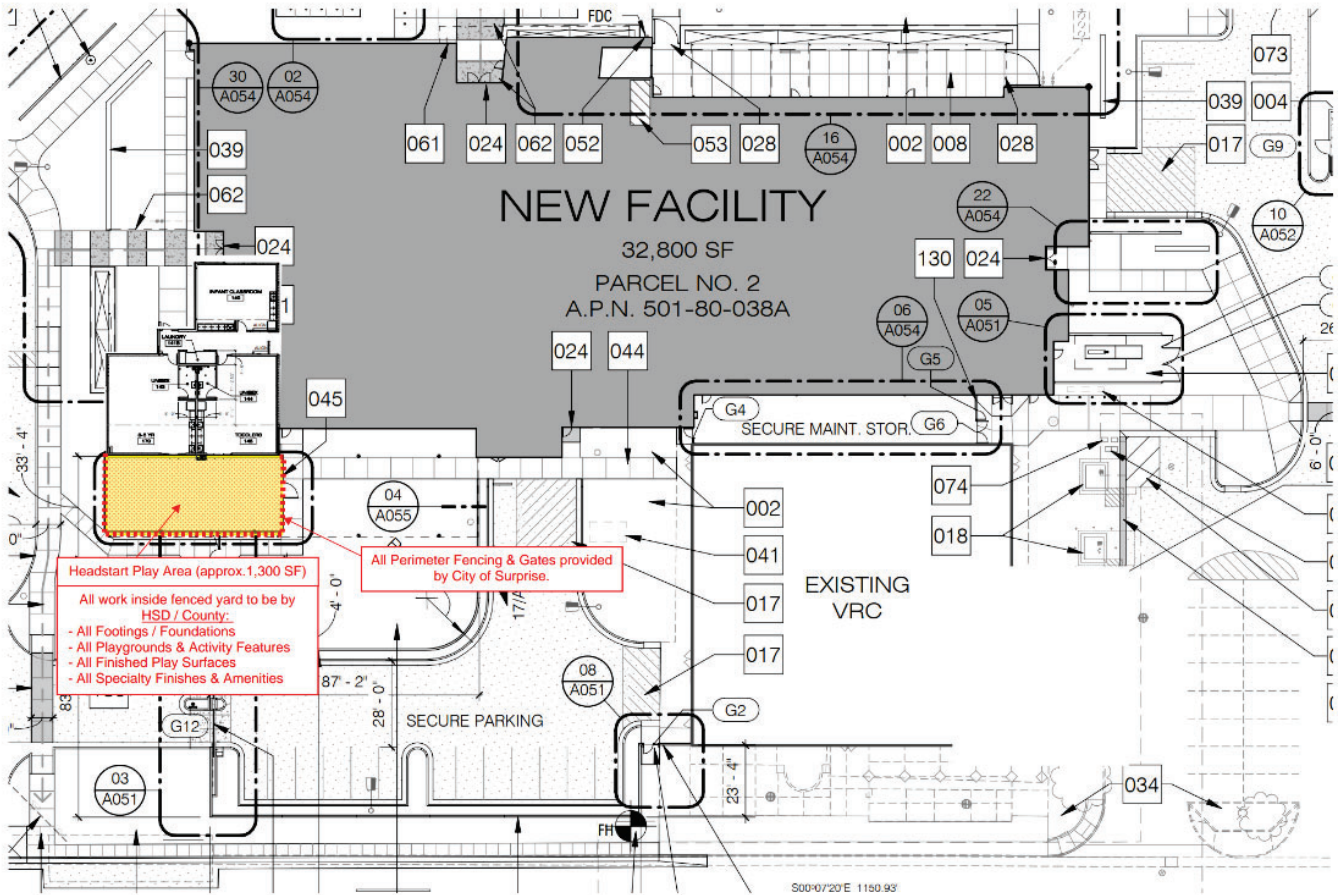
4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"

Exhibit XX

Exhibit __XX__:





CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Charles Morin, Assistant Police Chief

Submitting Department: Police

District: Citywide

Staff Recommendations:

Consent: Yes

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to authorizing acceptance of a grant award from the Governor's Office of Highway Safety and approval of a Fiscal Year 2025 budget amendment moving budget in the amount of \$6,000 for overtime expenses. Resolution 2025-44; RFLS 9979.

Motion:

I move to approve Resolution #2025-44.

Background:

The Surprise Police Department will receive \$6,000 in funding from the Governor's Office of Highway Safety (GOHS) to cover overtime expenses associated with participation in the "Buckle Up Arizona...It's the Law!" campaign from May 19, 2025, through June 1, 2025.

Objective Analysis:

Acceptance of this funding will provide reimbursement of overtime expenses for Surprise Police Department's participation in the activities of the "Buckle Up Arizona...It's the Law!" campaign.

Policy Compliant:

This action is consistent with City and Council Policy. The City regularly partners with other government entities when it is beneficial to do so.

Financial Impact:

This one-time funding will be used solely for overtime expenses incurred because of participation in the GOHS "Buckle Up Arizona...It's the Law!" campaign. There is no city-match requirement; however, all employee related expenses associated with this overtime will be absorbed by the Police Department's current operating budget.

Budget Impact:

The FY2025 adopted budget did not include appropriations for revenue and expenses related to the GOHS grant award. Acceptance of this grant will require a movement of budget authority in the amount of \$6,000 from General Contingency to Project G31387 in the Grants Fund. This action represents a

transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

FTE Impact:

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

ATTACHMENTS:

1. 25.05.06 Resolution 2025-44 CLICK IT OR TICKET OT IGA_Final
 2. Surprise PD Welcome Letter
 3. Surprise PD CIOT MOU_2025
-

RESOLUTION # 2025-44

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA TO ACCEPT FUNDING FROM THE STATE OF ARIZONA GOVERNOR’S OFFICE OF HIGHWAY SAFETY (GOHS), DERIVED FROM A MEMORANDUM OF UNDERSTANDING TO COVER OVERTIME EXPENSES, AND AMENDING THE FISCAL YEAR 2025 BUDGET BY MOVING BUDGET AUTHORITY IN THE AMOUNT OF \$6,000 FROM GENERAL CONTINGENCY TO PROJECT G31387 IN THE GRANTS FUND.

WHEREAS, the City of Surprise Police Department wishes to participate in the Governor’s Office of Highway Safety (“GOHS”) “Buckle Up Arizona...It’s the Law!” program which is part of the National Click It or Ticket Enforcement Campaign;

WHEREAS, the City of Surprise Police Department desires to accept the funding;

WHEREAS, the FY2025 budget was adopted by Council Resolution #2024-94 on June 4, 2024;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

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

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2024, through June 30, 2025.

Section 2. The City is hereby authorized to accept funding in the amount of \$6,000 from the Governor’s Office of Highway Safety for the City of Surprise Police Department to help fund overtime for employees who assist in the “Buckle Up Arizona...It’s the Law!” program which is part of the National Click It or Ticket Campaign, which Agreement is attached as *Exhibit B*.

Section 3. The City Manager, or his designee, is hereby authorized to execute and submit all documents and other necessary or desirable instruments in connection with said grants and related agreements.

SIGNATURES ON FOLLOWING PAGE

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney

RESOLUTION # 2025-44
Exhibit A

1. Appropriation - The allocation below represents a movement of budget authority in the amount of \$6,000 from General Contingency to project G31387 in the Grants Fund, to cover the projected expenditures associated with overtime for officers to participate in the Buckle Up AZ... It's the Law! campaign. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

Fund	Department	Project/Category	Rev/ Exp	Current Budget	Increase/ (Decrease)	Amended Budget
Grants	Police	#G31387 FY25 GOHS Buckle Up AZ - CIOT	E	-	6,000	6,000
Grants	Police	#G31387 FY25 GOHS Buckle Up AZ - CIOT	R	-	6,000	6,000
Contingency	General Operations	Contingency	E	82,192,100	(6,000)	82,186,100
Contingency	General Operations	Other	R	77,211,400	(6,000)	77,205,400
Expense Total				82,192,100	-	82,192,100
Revenue Total				77,211,400	-	77,211,400

RESOLUTION # 2025-44

Exhibit B

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF SURPRISE AND GOVERNOR'S OFFICE OF HIGHWAY SAFETY
(GOHS)

(BEGINS ON THE NEXT PAGE)

Click It or Ticket Enforcement National Campaign

March 25, 2025

Re: 2025 Click It or Ticket Enforcement Campaign

Agreement No.:	Agency:	Award Amount:
2025-405b-502	Surprise PD	\$6,000.00

Dear Highway Safety Partner,

The Governor's Office of Highway Safety is pleased to inform you that your agency has been selected to participate in the 2025 **Click It or Ticket** National Enforcement Campaign. This two week enforcement initiative will take place from **May 19 to June 1, 2025**.

As part of this national effort, law enforcement agencies across the state will be enhancing traffic enforcement and increasing efforts to reinforce the importance of seat belt use. The **Click It or Ticket** campaign aims to promote compliance with seat belt laws and ensure the safety of all motorists.

Thank you for your commitment to roadway safety. We appreciate your agency's dedication to this important initiative.

You can find free marketing material at
<https://www.trafficsafetymarketing.gov/get-materials/seat-belts/click-it-or-ticket/national-enforcement-mobilization>



J.M. "Jesse" Torrez
Governor's Office of Highway Safety Representative

MEMORANDUM OF UNDERSTANDING

GRANT AGREEMENT NUMBER: 2025-405b-502

PROGRAM AREA: 405b

PROJECT DIRECTOR: J.M. "Jesse" Torrez, Director

GOHS – CIOT Enforcement Wave

As part of the National Click It or Ticket Campaign, Arizona has developed and promoted the "Buckle Up It's the Law!" program, which has been an effective enforcement message in a secondary law state.

This program unites statewide law enforcement agencies to engage in aggressive traffic enforcement with a "zero tolerance" approach to seat belt and child safety seat violations. The goal is to sustain and increase seatbelt usage rates in the designated geographical areas of the participating agencies.

The mobilizations begin with earned media generated at the State and local level followed by a high visibility enforcement campaign lasting two weeks. Paid media phases in approximately one week later followed by high-visibility enforcement lasting for two weeks. Additional earned media conducted through the GOHS has been paramount in enhancing occupant protection message.

The purpose of the campaign is for the Surprise Police Department to engage in Occupant Protection traffic enforcement with a "zero tolerance" approach to seat belt and child safety seat violations. The goal is to sustain seatbelt usage rates in the designated geographical areas of the participating agencies.

The campaign will be supported by earned media to reinforce the occupant protection message. The agency will participate in other educational and public awareness activities to support the enforcement component.

GOALS/OBJECTIVES:

The Surprise Police Department is required to complete the following goals and objectives under the guidelines of the contract:

- Provide intensive traffic enforcement during designated period with zero tolerance for safety belt/child restraint laws

- Heighten enforcement visibility through news media contacts, safety belt/child seat inspections, and other public awareness and educational activities
- The Agency shall provide a written press release announcing the enforcement program to the local media affecting their respective areas (a copy of this press release shall be sent to the GOHS Director prior to the initiation of the enforcement campaign)
- The Agency is additionally encouraged to invite media representatives for live interviews and ride-a-longs during the enforcement activities
- The Agency shall develop and participate in some form of enforcement activity, such as saturation patrols, multi-agency enforcement task forces etc. related to respective areas with low restraint usage.
- The Agency shall submit a Final Enforcement Summary Report to GOHS no later than June 6, 2025.
- The Agency shall a Final Statement of Accomplishments Report including press releases, news stories, educational/public awareness activities, enforcement statistics and quality photographs by June 13, 2025.
- The Agency shall provide the names of top enforcement performers for possible future recognition by GOHS and their respective agency.

METHOD OF PROCEDURE:

The Surprise Police Department will make expenditures as follows to meet the outlined Program Goals/Objectives:

Personnel Services – To support Overtime for two-week Click It or Ticket (Buckle Up) Enforcement Campaign from May 19, 2025 through June 1, 2025

Employee Related Expenses – To support Employee Related Expenses for Agency Overtime

PROFESSIONAL AND TECHNICAL PERSONNEL:

Benny Piña, Chief, Surprise Police Department, shall serve as Project Director.

Severin Hall, Sergeant, Surprise Police Department, shall serve as Project Administrator.

Gabriela Gallegos, Occupant Protection Coordinator, Governor's Office of Highway Safety, shall serve as Project Coordinator.

REPORT OF COSTS INCURRED (RCI):

The Project Director shall submit a Report of Costs Incurred (RCI) with supporting documentation attached, to the Governor's Office of Highway Safety within thirty (30) days of the enforcement period in correlation with the required report.

RCIs shall be typed and submitted with appropriate supporting documentation to the Governor's Office of Highway Safety. **Electronically submitted RCIs will be accepted.**

The RCI template and instructions are available on the Governor's Office of Highway Safety website at <http://www.azgohs.gov/grant-opportunities/>. Failure to meet the reporting requirements may be cause to terminate the project.

FINAL ENFORCEMENT SUMMARY REPORT:

All participating agencies shall complete and submit total enforcement statistical data implementing the attached form no later than June 6, 2025, to the Governor's Office of Highway Safety.

FINAL STATEMENT OF ACCOMPLISHMENTS:

The Project Director shall complete and submit the attached Final Statement of Accomplishments Report no later than June 13, 2025, to the Governor's Office of Highway Safety. All agencies receiving funding are required to submit a Final Statement of Accomplishments Report. The report is a summary overview of the contracted project and is reviewed by the Governor's Office of Highway Safety project coordinator to determine the effectiveness of the project.

ESTIMATED COSTS:

I.	Personnel Services (overtime)	\$6,000.00
II.	Employee Related Expenses (0%)	\$0.00
Total Award:		\$6,000.00

Signature of Project Director:

Benny Piña, Chief
Surprise Police Department

*Signature of Authorized Official of
Governmental Unit:*

Bob Wingenroth, City Manager
City of Surprise

Date Telephone

Date Telephone

AUTHORITY & FUNDS

1. This Project is authorized by 23 U.S.C. **§405** and regulations promulgated there under, more particularly Volume 102, and if State funds are involved, this project is authorized by ARS § 28-602.

The funds authorized for this Project have been appropriated and budgeted by the U.S. Department of Transportation. The expenses are reimbursable under Arizona's Highway Safety Plan Program Area **405b**, as approved for by the National Highway Traffic Safety Administration.

2. **A. EFFECTIVE DATE:** **B. FEDERAL FUNDS:**

Authorization to Proceed Date

\$6,000.00

3. **AGREEMENT AND AUTHORIZATION TO PROCEED**
by State Official responsible to Governor for the
administration of the State Highway Safety Agency

J.M. "Jesse" Torrez, Director
Governor's Office of Highway Safety

Approval Date



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Kendra Pettis, DIR -
SPORTS/TOURISM

Submitting Department: Sports and Tourism

District: Citywide

Staff Recommendations: None

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of a Fiscal Year 2025 budget amendment moving budget in the amount of \$500,000 from General Contingency to the Tourism Fund for the purpose of securing entertainment for the FY26 Out of the Park Music Fest; Resolution #2025-56.

Motion:

I move to approve Resolution #2025-56.

Background:

The Sports and Tourism department has produced the Out of the Park Music Festival in FY24 and FY25 with Council direction under initiatives within the Council Strategic Plan and Tourism Strategic Plan to host a signature event for residents that also attracts visitors to Surprise. The music festival features national headlining talent that requires early booking and financial deposits in order to confirm artists. There is a lot of competition to book artists in Arizona for festivals in the spring and the Sports and Tourism department would like to have the ability to utilize the FY26 funding in FY25 to put down a deposit in order to book talent earlier.

Objective Analysis:

The objective of establishing a budget in FY25 is to have the ability to book artists for the next fiscal year and have a better opportunity to get higher level talent contracted earlier. This will also allow the City to have tickets go on sale earlier and start marketing earlier as well.

Policy Compliant:

This item is compliant with City policy.

Financial Impact:

Approval of the resolution will permit the City to purchase entertainment from the Tourism Fund for the FY26 music festival in FY25. The remainder of the \$500,000 budget will carry over to FY26 to complete any remaining purchases necessary for the event.

Budget Impact:

This action will allow for the movement of budget authority in the amount of \$500,000 from General Contingency to services within the Tourism Fund. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure limit.

FTE Impact:

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

ATTACHMENTS:

1. Resolution 2025-56 OOTP Budget Amendment
-

RESOLUTION # 2025-56

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2025 BUDGET BY MOVING BUDGET IN THE AMOUNT OF \$500,000 FROM GENERAL CONTINGENCY TO THE TOURISM FUND FOR SECURING ENTERTAINMENT FOR THE FY26 OUT OF THE PARK MUSIC FEST.

WHEREAS, the FY2025 City of Surprise Comprehensive Financial Management Policies (“Policy”), were adopted by Council Resolution #2024-94 on June 4, 2024;

WHEREAS, pursuant to the Policy, the City currently imposes a four and fifty-two hundredths percent (4.52%) transaction privilege tax on transient lodging, of which one percent (1.00%) is recorded in the General Fund and the remaining three and fifty-two hundredths percent (3.52%) is recorded in the City’s Tourism Fund to be used for promoting tourism;

WHEREAS, of the amount recorded in the Tourism Fund, the Mayor and Council designated that seventy-five percent (75%) be spent on sports tourism facility development and improvement, while twenty-five (25%) be spent on marketing, studies and special events;

WHEREAS, on December 3, 2019, the Mayor and Council adopted a “Strategic Plan” seeking to attract visitors to the City with new and enhanced event and entertainment opportunities;

WHEREAS, on April 23, 2025, pursuant to the Policy and the Strategic Plan, the Tourism Fund Subcommittee recommended to approve the allocation of tourism funds not to exceed \$500,000 in FY25 for the purpose of securing talent for the FY26 event;

WHEREAS, the FY2025 budget was adopted by Council Resolution #2024-94 on June 4, 2024;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

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

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2024, through June 30, 2025.

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney

RESOLUTION # 2025-56
Exhibit A

1. Appropriation- The allocation listed below represents a movement of budget authority in the amount of \$500,000 from General Contingency to the services within the Tourism Fund to increase the budget for the FY25 Out of the Park Music Fest to allow the authority to secure artists in FY25 for the FY26 Out of the Park Music Fest. This action represents a transfer of spending authority and does not increase or decrease the total adopted citywide expenditure budget.

Fund	Department	Project/Category	Rev/ Exp	Current Budget	Increase/ (Decrease)	Amended Budget
Contingency	General Operations	Contingency	E	82,033,600	(500,000)	81,533,600
Tourism	Sports and Tourism	Services	E	730,000	500,000	1,230,000
Expense Total				82,763,600	-	82,763,600



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Joesette Frausto, HUMAN
RESOURCES MANAGER

Submitting Department: Human Resources
Staff Recommendations:

District: Citywide

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the reappointment of Louis Frank Dominguez to the position of Presiding Judge of the Surprise Municipal Court; Resolution #2025-54.

Motion:

I move to approve Resolution #2025-54.

Background:

The Municipal Code of Surprise, Sec 30-44 et seq. provides a reappointment process for incumbent presiding judges whereby the Judicial Selection Advisory Commission makes a recommendation to City Council after investigation and evaluation. This process has occurred, and the Committee recommends the reappointment of Presiding Judge Louis Frank Dominguez.

The Surprise Municipal Code provides that City Council will appoint or reappoint a Presiding Judge for a term of four years and will set compensation for that term; Resolution #2025-54 is compliant with this obligation and will reappoint Louis Frank Dominguez to the position of Presiding Judge of the Surprise Municipal Court.

Objective Analysis:

Pursuant to SMC Sec. 30-46, the City Council may accept or reject the recommendation submitted by the Judicial Selection Advisory Committee. If City Council were to reject the recommendation, per that section, it would be appropriate for City Council to refer the matter back to the Commission for more investigation and findings.

The Commission has completed the re-appointment evaluation process as set forth in SMC Chapter 30, Sec. 30-45 *et seq.*

Policy Compliant:

The process for reappointment of Surprise Municipal Court Judges as set forth in Surprise Municipal Code Chapter 30 has been complied with and the appointment is in accordance with the process requirements of the City Code.

Financial Impact:

The compensation of the Presiding Judge shall be fixed by the City Council and incorporated into the City Court operations budget.

Budget Impact:

The compensation of the Presiding Judge shall be fixed by the City Council and incorporated into the City Court operations budget.

FTE Impact:

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

ATTACHMENTS:

1. Res 2025-54 Reappoint Presiding Judge
-

RESOLUTION # 2025-54

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA REAPPOINTING LOUIS FRANK DOMINGUEZ AS PRESIDING JUDGE OF THE SURPRISE CITY COURT AND SETTING COMPENSATION.

WHEREAS, pursuant to the Surprise Municipal Code (S.M.C.), the City Council appoints and reappoints a Presiding Judge after recommendation by the Judicial Selection Advisory Commission (JSAC);

WHEREAS, pursuant to S.M.C. § 30-45, the JSAC has forwarded to the City Council the recommendation that Louis Frank Dominguez be reappointed as Presiding Judge;

WHEREAS, the City Council desires to accept the JSAC recommendation and reappoint Louis Frank Dominguez as Presiding Judge of the Surprise City Court upon the expiration of his current term on June 30, 2025; and

WHEREAS pursuant to the S.M.C., the Presiding Judge's compensation "shall be fixed by the city council and shall not be reduced or increased during the term of office, except for adjustments which are applicable to all employees of the city, without regard to performance."

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

Section 1. Louis Frank Dominguez is hereby reappointed to the position of Presiding Judge of the Surprise City Court for a term of four years, commencing July 1, 2025, and ending June 30, 2029.

Section 2. The compensation for the Presiding Judge of the Surprise City Court is as follows:

- (a) Salary: \$305,000.02 Dollars annually (\$11,730.77) bi-weekly. Pursuant to the Surprise Municipal Code, this salary shall automatically be amended to reflect any salary adjustments that are generally provided or required by the City's compensation policies to all employees such as cost of living adjustments, merit or performance increases, or other discretionary pay as approved by the City Council. Merit or performance pay adjustments shall not require an evaluation of the Presiding Judge's performance.
- (b) Deferred Compensation: At the beginning of the fiscal year, the City shall contribute an amount equal to ten percent (10%) of the Presiding Judge's salary into a 401 (a) plan. If deferred compensation exceeds the amount allowed by the IRS, the remainder will be included in the Presiding Judge's pay.

- (c) Paid Time Off: Presiding Judge's accrued [through June 30, 2025] Paid Time Off ("PTO") will be carried over and available at the commencement of the term. Thereafter, the Presiding Judge will earn and accrue 280 hours of PTO per year upon July 1 of each year, except as limited herein. In no event may total accrued but unused PTO exceed 560 total hours ("PTO Cap"). The annual PTO accrual will be reduced to the extent the accrued but unused PTO remaining at the end of any fiscal year is greater than 280 so as to assure the PTO Cap is not exceeded.
- (d) Benefits: Except as otherwise provided herein, the Presiding Judge is entitled to all other City benefits which are otherwise available to non-classified City employees, including, but not limited to, Insurance (health, dental, vision), Deferred Compensation, Paid Medical Leave, Worker's Compensation, etc.

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Joesette Frausto, HUMAN
RESOURCES MANAGER

Submitting Department: Human Resources
Staff Recommendations:

District: Citywide

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the reappointment of Catherine Ann Gaudreau to the position of Associate Judge of the Surprise Municipal Court; Resolution #2025-55.

Motion:

I move to approve Resolution #2025-55.

Background:

The Municipal Code of Surprise, Sec 30-44 et seq. provides a reappointment process for incumbent associate judges whereby the Judicial Selection Advisory Commission makes a recommendation to City Council after investigation and evaluation. This process has occurred, and the Committee recommends the reappointment of Associate Judge Catherine Ann Gaudreau.

The Surprise Municipal Code provides that City Council will appoint or reappoint an Associate Judge for a term of four years and will set compensation for that term; Resolution #2025-55 is compliant with this obligation and will reappoint Catherine Ann Gaudreau to the position of Associate Judge of the Surprise Municipal Court.

Objective Analysis:

Pursuant to SMC Sec. 30-46, the City Council may accept or reject the recommendation submitted by the Judicial Selection Advisory Committee. If City Council were to reject the recommendation, per that section, it would be appropriate for City Council to refer the matter back to the Commission for more investigation and findings.

The Commission has completed the re-appointment evaluation process as set forth in SMC Chapter 30, Sec. 30-45 *et seq.*

Policy Compliant:

The process for reappointment of Surprise Municipal Court Judges as set forth in Surprise Municipal Code Chapter 30 has been complied with and the appointment is in accordance with the process requirements of the City Code.

Financial Impact:

The compensation of the Associate Judge shall be fixed by the City Council and incorporated into the City Court operations budget.

Budget Impact:

The compensation of the Associate Judge shall be fixed by the City Council and incorporated into the City Court operations budget.

FTE Impact:

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

ATTACHMENTS:

1. Res 2025-55 Reappoint Presiding Associate Judge_FINAL
-

RESOLUTION # 2025-55

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA REAPPOINTING CATHERINE ANN GAUDREAU AS ASSOCIATE JUDGE OF THE SURPRISE CITY COURT AND SETTING COMPENSATION.

WHEREAS, pursuant to the Surprise Municipal Code (S.M.C.), the City Council appoints and reappoints an Associate Judge after recommendation by the Judicial Selection Advisory Commission (JSAC);

WHEREAS, pursuant to the S.M.C. § 30-45, the JSAC has forwarded to the City Council the recommendation that Catherine Ann Gaudreau be reappointed as Associate Judge;

WHEREAS, the City Council desires to accept the JSAC recommendation and reappoint Catherine Ann Gaudreau as Associate Judge of the Surprise City Court upon the expiration of her current term on June 30, 2025; and

WHEREAS pursuant to the S.M.C., the Associate Judge's compensation "shall be fixed by the city council and shall not be reduced or increased during the term of office, except for adjustments which are applicable to all employees of the city, without regard to performance."

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

Section 1. Catherine Ann Gaudreau is hereby reappointed to the position of Associate Judge of the Surprise City Court for a term of four years, commencing July 1, 2025, and ending June 30, 2029.

Section 2. The compensation for the Associate Judge of the Surprise City Court is as follows:

- (a) Salary: \$259,250.42 Dollars annually (\$9,971.16) bi-weekly. Pursuant to the Surprise Municipal Code, this salary shall automatically be amended to reflect any salary adjustments that are generally provided or required by the City's compensation policies to all employees such as cost of living adjustments, merit or performance increases, or other discretionary pay as approved by the City Council. Merit or performance pay adjustments shall not require an evaluation of the Associate Judge's performance.
- (b) Paid Time Off: Associate Judge's accrued [through June 30, 2025] Paid Time Off ("PTO") will be carried over and available at the commencement of the term. Thereafter, the Associate Judge will earn and accrue 280 hours of PTO per year upon July 1 of each year except as limited herein. In no event may total accrued but unused PTO exceed 560 total hours ("PTO Cap"). The annual PTO accrual will be reduced to the extent the accrued but unused PTO remaining at

the end of any fiscal year is greater than 280 so as to assure the PTO Cap is not exceeded.

- (c) Benefits: Except as otherwise provided herein, the Associate Judge is entitled to all other City benefits which are otherwise available to non-classified City employees including but not limited to Insurance (health, dental, vision), Deferred Compensation, Paid Medical Leave, Worker's Compensation, etc...

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: Water Resource
Management
Staff Recommendations:

Contact Person: Michael Boule, Director
District: District 4

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
-------------	-------------	--------------------	-----------------------

Agenda Wording:

Consideration and action pertaining to the Second Amendment to the 2009 Intergovernmental Agreement for Water Service by the City of El Mirage to the City of Surprise within the Surprise Original Townsite. Resolution #2025-43.

Motion:

I move to approve Resolution #2025-43

Background:

Residents and businesses within the Original Town Site (OTS) of Surprise receive water service from the City of El Mirage (COEM) and sewer service from the City of Surprise (COS).

In 2011, COEM conducted a utility rate study that implemented a recharge fee for customers who receive water service from COEM but sewer service from another provider. The study concluded that since COS receives and treats wastewater from the OTS, it derives the benefit of recharging COEM's water supply.

From November 2011 to June 2016, OTS residents and businesses paid the recharge fee directly to COEM, resulting in an average annual cost of \$108 for residential customers and \$620 for commercial customers.

Between June 2016 and July 2020, an amendment to an existing intergovernmental agreement between COS and COEM shifted payment of the recharge fee to COS, removing the direct burden from customers.

Upon the expiration of the agreement's rate table in July 2020, the responsibility for the fee reverted to OTS residents and businesses.

This agenda item proposes that COS convey 10 years of Extinguishment Credits to COEM, thereby eliminating the recharge fee for affected customers within the OTS.

Objective Analysis:

Conveying Extinguishment Credits in lieu of customer rates or payments from Surprise is a significant benefit.

Policy Compliant:

This item is policy compliant

Financial Impact:

There is no anticipated financial impact related to this item.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

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

ATTACHMENTS:

1. 25.03.27 FINAL Resolution
 2. 04212025COEM IGA Second Amendment FINAL
 3. COEM IGA Item
-

RESOLUTION # 2025-43

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING THE SECOND AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT FOR WATER SERVICE BY THE CITY OF EL MIRAGE TO THE CITY OF SURPRISE WITHIN THE SURPRISE ORIGINAL TOWNSITE.

WHEREAS, pursuant to A.R.S. § 11-951, *et seq.*, the City of Surprise has the authority to enter into intergovernmental agreements with other governmental entities for the purposes set forth within;

WHEREAS, on or about September 21, 2009, Surprise and El Mirage (the “Parties”) entered into the Intergovernmental Agreement for Water Service by the City of El Mirage to the City of Surprise within the Surprise Original Townsite (the “Agreement”);

WHEREAS, on or about February 2, 2017, the Parties amended the Agreement whereby El Mirage agreed to suspend assessment of recharge water fees to its Surprise Original Townsite customers in exchange for Surprise remitting quarterly payments directly to El Mirage;

WHEREAS, on May 6, 2025, the El Mirage City Council adopted a 2025 utility rate study that updated El Mirage’s water rates, including the water rates paid by Surprise Original Townsite residents and the recharge fees due to El Mirage from Surprise Original Townsite residents;

WHEREAS, rather than Surprise continuing to make quarterly payments to El Mirage, the Parties have agreed Surprise will provide a one time transfer of 6,560 acre feet of extinguishment credits representing the value of the recharge fees over the next 10 years;

WHEREAS, the Parties now desire to obtain City Council approval of the Second Amendment to the Agreement, attached hereto as Exhibit A and incorporated herein by this reference.

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

Section 1. The Second Amendment to the Intergovernmental Agreement for Water Service by the City of El Mirage to the City of Surprise within the Surprise Original Townsite, attached hereto as Exhibit A, is approved.

Section 2. The Mayor is hereby directed on behalf of the City of Surprise to execute the Agreement and any other documents necessary to effectuate the intent of this Resolution.

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffery Murray, Acting City Attorney

EXHIBIT A

SECOND AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT
FOR WATER SERVICE BY THE CITY OF EL MIRAGE TO THE CITY OF
SURPRISE WITHIN THE SURPRISE ORIGINAL TOWNSITE

**SECOND AMENDMENT
TO THE 2009 INTERGOVERNMENTAL AGREEMENT
FOR WATER SERVICE BY THE CITY OF EL MIRAGE
TO THE CITY OF SURPRISE WITHIN THE SURPRISE ORIGINAL TOWNSITE**

This Second Amendment ("Amendment") is made by and between the CITY OF EL MIRAGE, ARIZONA ("El Mirage") and the CITY OF SURPRISE, ARIZONA ("Surprise"), both Arizona municipal corporations. El Mirage and Surprise may be referred to in this Amendment each individually as a Party, and collectively as the Parties. This Amendment shall become effective on the date it is approved by each Party's City Council (the "Effective Date").

RECITALS

A. On or about March 2, 1977, the Parties entered into (and later extended in January 2002) an agreement pursuant to which El Mirage agreed to provide water service to the Surprise Original Townsite ("OTS").

B. On or about September 21, 2009, the Parties entered into the 2009 Intergovernmental Agreement For Water Service By The City of El Mirage to the City of Surprise Within the Surprise Original Townsite ("IGA") for the purpose of setting forth the terms and conditions according to which El Mirage would continue to provide water to the OTS and ensure that OTS customers consistently and reliably receive potable water meeting all regulatory and statutory requirements.

C. The Parties amended the IGA on or about February 2, 2017, ("First Amendment") by adding Paragraph 5.13 in which the Parties agreed El Mirage would suspend assessment of recharge water fee(s) to its customers within the OTS in exchange for Surprise remitting quarterly payments directly to El Mirage based on the Red Oak Consulting Study dated August 26, 2011, and adopted by El Mirage City Council on November 10, 2011.

D. The First Amendment terminated on June 30, 2021, resulting in El Mirage reinstating its water recharge fee(s) assessment against OTS customers.

E. On September 4, 2024, the El Mirage City Council authorized a contract for a new utility rate study.

F. On May 6, 2025, the El Mirage City Council will consider adopting the City of El Mirage's 2025 utility rate study, including a \$0.00 water recharge fee, payable by Surprise or the residents of the OTS, effective July 1, 2025.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Paragraph 5.13 of the IGA shall be amended as follows:
 - a. Effective for billings after April 30, 2016, thru June 30, 2021, charges to customers of the El Mirage water system related to recharge water within the OTS were suspended, and the City of Surprise was assessed directly for the costs related to recharge water within the OTS. Effective July 1, 2021, El Mirage began charging Surprise residents in the OTS for recharge water fees.

Following the approval of this Second Amendment to the IGA by both Surprise's and El Mirage's respective City Councils, and upon approval and adoption by the El Mirage City Council of the 2025 utility rate study, Surprise will convey to El Mirage 6,560 acre-feet of extinguishment credits as identified in *Exhibit A*, attached hereto and incorporated herein by this reference, no later than August 31, 2025. This conveyance will be for a lump sum of 6,560 acre feet of extinguishment credits that will satisfy El Mirage's estimated ten-year recharge volume identified in *Exhibit A* attached hereto, effective immediately thru June 30, 2034. El Mirage shall immediately approve, enforce, and collect a \$0.00 water recharge fee for Surprise's residents in the OTS which shall be effective until at least June 30, 2034, or the length of the mutual written agreement and any renewals or extensions thereof, whichever is longer.

2. To the extent the terms and conditions set forth in the IGA vary from those in this Amendment, the provisions of this Amendment shall take precedence. All other terms and conditions contained in the IGA shall remain in full force and effect.
3. This Amendment shall have a term of ten (10) years commencing upon its full execution and may be extended upon written agreement of the Parties.
4. The above Recitals and all Exhibits attached hereto are fully incorporated herein by this reference.

Approved as to form only:

Attestation:

Surprise City Attorney Date

Sharon Antes Date
El Mirage City Clerk

Attestation:

Kristi Passarelli Date
Surprise City Clerk

IN ACCORDANCE WITH A.R.S. §§ 11-201, 11-251,
AND 11-952, THIS AMENDMENT NO. 4 HAS BEEN
REVIEWED BY THE UNDERSIGNED ATTORNEY
WHO HAS DETERMINED IT IS PROPER IN FORM
AND WITHIN THE POWERS AND AUTHORITY
GRANTED TO CITY OF EL MIRAGE UNDER THE
LAWS OF THE STATE OF ARIZONA.

APPROVED AS TO FORM:

El Mirage City Attorney Date

Exhibit A:

Calculated Water Extinguishment Credits

City of Surprise - Original Townsite
Estimated Annual Recharge Volumes
July 2025 through June 2035

Fiscal Year (July 1 through June 30)	Estimated Recharge Volume in Acre Feet
FY26	627
FY27	633
FY28	640
FY29	646
FY30	652
FY31	659
FY32	666
FY33	672
FY34	679
FY35	686
Total	6560

Notes:

- * Estimated recharge volume is based on a 64% effluent recharge return.
- * 1% escalator for growth is calculated for the 10-year period.

El Mirage & Surprise

Intergovernmental Agreement, Second Amendment

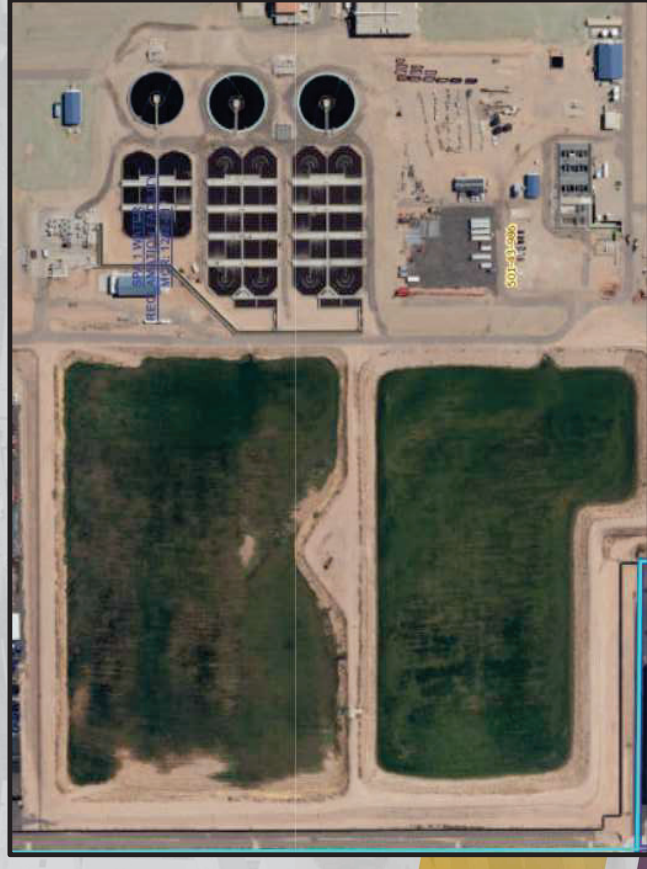
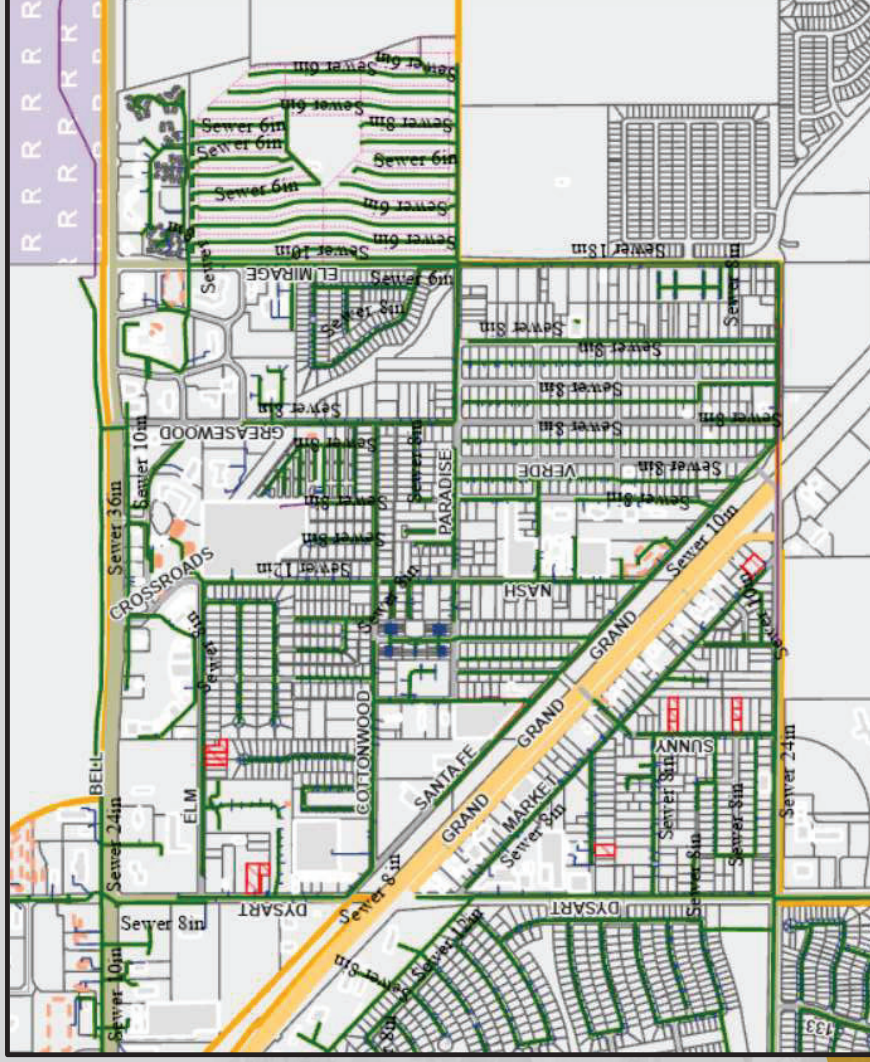


- City of El Mirage has been serving OTS Since 1970s
- 1,400 Service Connections
- Surprise Water & El Mirage Water Interconnected



Surprise Wastewater Service

- Greenway Road Lift Station
- Special Planning Area 1 - WRF
- Long Term Storage Credits



Intergovernmental Agreement Timeline



Second Amendment Items

- Allows Surprise to convey a 10-year lump sum of 6,560 acre fee of Recharge Credits.
- Unpledged Extinguishment Credits
- Removes the Water Recharge Fee from customers Water Bill.
- Extends the Term to 2035.

Fiscal Year (July 1 through June 30)	Estimated Recharge Volume in Acre Feet
FY26	627
FY27	633
FY28	640
FY29	646
FY30	652
FY31	659
FY32	666
FY33	672
FY34	679
FY35	686
Total	6560

Notes:

* Estimated recharge volume is based on a 64% effluent recharge return.

* 1% escalator for growth is calculated for the 10 year period.

WATER RECHARGE		Monthly
Per 1,000 gallons		
Surprise Customers	\$	2.43
El Mirage Customers	\$	2.43
Hydrant Customers	\$	2.43



12:45

PL

City of El Mirage

0.00

98

Account Number

Billing Period End

Account Type

Due Date

Service Address

02/28/2025

Utility

03/25/2025

TOTAL CHARGES

WATER

WATER RECHARGE

WATER TAX - ST & CO

WATER TAX - CITY

WATER SURCHARGE TAX

Statement Charges

Payment on: 03/12/2025

\$56.39

\$18.20

\$3.55

\$1.58

\$0.05

\$79.77

\$79.77

Messages

View

PAY

Questions about your bill? Contact City of El Mirage

(623) 933-1228

Delete Account

Accounts

Auto Pays

History

Wallet

Settings

Water Recharge Fee

- 23% of the Current Water Bill
- Rate Study Recommendations
 - Remove Water Recharge Fee
 - 3% Increase
- Example July 1, 2025 Water Bill: **\$63.41**

Table 1-1 Recommended Rate Revenue Increases Fiscal Years Ending June 30			
Fiscal Year	Water	Sewer	Sanitation
2025-26	3.0%	0.0%	0.0%
2026-27	3.0%	3.0%	0.0%
2027-28	3.0%	0.0%	0.0%
2028-29	3.0%	0.0%	0.0%
2029-30	3.0%	0.0%	0.0%

Questions or Comments?

THANK YOU



SURPRISE
ARIZONA

Extinguishment Credits

They're created when a **farmer permanently stops using groundwater** on a piece of land. The state gives them "credits" for not using that water anymore.

of Acres X 1.25 Acre Feet X (2025-Current Year)= Extinguishment Volume

Example: 5 acres, extinguished in year 2020: 5 X 1.25 X 5= 31.25 Acre Feet

These credits can then be pledged to a Designation of Assured Water Supply and used for groundwater replenishment accounting.

Pledged vs. Unpledged Credits



SURPRISE
ARIZONA



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Brad Mecham, Director of
Strategic Initiatives

Submitting Department: City Manager Office
Staff Recommendations:

District: District 1

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of a Cell Tower Lease Agreement at the Rancho Mercado Water Supply Facility; Resolution #2025-53.

Motion:

I move to approve Resolution #2025-53.

Background:

The City owns property at 14342 W. Happy Valley Road identified as Assessors Parcel Number (APN#) 503-55-642 known as the Rancho Mercado Water Supply Facility.

To help facilitate increased wireless cellular coverage, the City has worked with New Cingular Wireless to propose a site for a new 65' camouflaged monopole tower that will facilitate multiple locations. The proposed tower is located just east of the northeast corner of Happy Valley Road and 144th Drive at the Rancho Mercado Water Supply Facility. Upon execution of the lease, New Cingular Wireless will submit for site plan and civil review.

The initial lease term is for ten (10) years with the option to renew for three (3) additional five (5) year terms for a potential total of 25 years.

The initial lease rate is \$1,800 with an annual rate increase of two and a half percent (2.5%).

Objective Analysis:

This item has been placed on the agenda for review and approval.

Policy Compliant:

This item is compliant with City Council policies and the City of Surprise Municipal Code.

Financial Impact:

The City will receive \$1,800 per month for the first year and an increase of 2.5% each subsequent year for the duration of the lease. In addition, there is a 20% revenue share for any sublessees.

Budget Impact:

If approved, there will be a net positive budget impact at \$1,800 per month for the first year and an increase of 2.5% each subsequent year for the duration of the lease. Each sublessee is also subject to a 20% revenue share.

FTE Impact:

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

ATTACHMENTS:

1. Cell Tower Ground Lease Agreement - New Cingular Wireless
 2. Rancho Mercado Cell Tower
 3. New Cingular Wireless Resolution - April 2025
-



THE CITY OF SURPRISE, ARIZONA
16000 North Civic Center Plaza, Surprise, AZ 85374

CELL TOWER LEASE AGREEMENT (Agreement Number _____)

Site Name: AZL01645 - Happy Valley Water – FA 15458380

This Cell Tower Lease Agreement ("Agreement") is entered into by and between the City of Surprise, an Arizona municipal corporation (the "City"), and New Cingular Wireless PCS, LLC, a Delaware limited liability company, having a mailing address of 1025 Lenox Park Blvd NE, Atlanta, GA 30319 ("Lessee"). The City and Lessee may each be referred to herein as a "Party," or, collectively, the "Parties."

RECITALS

WHEREAS, the City owns real property located at 14342 W. Happy Valley Road, Surprise, AZ 85387, identified as Parcel No. 503-55-642 in the Maricopa County recording system, and commonly known as Happy Valley Water Treatment ("Property");

WHEREAS, the City desires to expand wireless telecommunications coverages to its citizens, residents and the traveling public for the purposes of public safety, economic development, and general coverage of and access to wireless services;

WHEREAS, Lessee wishes to lease a portion of the Property for the purpose of erecting a tower and installing, maintaining, and operating certain wireless facilities; and

WHEREAS, the City is willing to lease a portion of the Property to Lessee subject to the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual agreements contained herein, and other good and valuable consideration the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. LEASE

- 1.1. Leased Area. The City hereby grants to Lessee a lease of a portion of the Property, as further described in **Exhibit A** ("Leased Area"), herein incorporated by this reference, together with non-exclusive easements during the term of this Agreement for: (a) ingress and egress across other portions of the Property for access to the Leased Area from a public right of way, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle (including trucks), and (b) the installation, operation, and maintenance of utilities, including but not limited to wires, poles, cables (including fiber optic cable), conduits, and pipes over, under or along the Property (collectively, the "Easements"), the location of said Easements also being described in **Exhibit A**, herein incorporated by this reference, for

the sole purpose of the Permitted Use (as defined in Section 1.2). The Leased Area and Easements include only the area identified in Exhibit A, and does not include any surrounding area or properties. There shall be no unilateral replacements of Exhibit A. Any changes to Exhibit A shall be made through a formal written amendment to this Agreement.

- 1.2. Permitted Use. The Leased Area may be used by Lessee for the sole purpose of the lawful transmission and reception of communications signals in all frequencies authorized by applicable governmental authorities and the installation, construction, maintenance, operation, repair, replacement, and upgrade of communications fixtures, antennas, a tower, equipment shelter or cabinets, backup power generator, necessary utilities (including power, telco and fiber), and related equipment, cables, accessories, and other improvements (collectively, the "Facilities"), which are further shown on the site plan attached hereto as **Exhibit B** (the "Site Plan"), herein incorporated by reference (collectively referred to as the "Permitted Use"). The Site Plan shall include all improvements to the Leased Area, including, without limitation, the installation or collocation of Lessee's or any sublessee's Facilities.

2. TERM; DUE DILIGENCE; COMMENCEMENT DATE; TERMINATION; AMENDMENTS; ASSIGNMENT

- 2.1. Term; Renewal. This Agreement is effective upon the date the last party signs this Agreement ("Effective Date"). The initial term of this Agreement shall be for ten (10) years beginning on the Effective Date unless terminated sooner according to the terms of this Agreement. "Term" shall include the initial term and any renewed term of this Agreement. This Agreement may be extend for up to three (3) additional five (5) year periods, upon the same terms and conditions set forth herein unless Lessee notifies City in writing of Lessee's intention not to renew this Agreement at least sixty (60) days prior to the expiration of the then-current term.
- 2.2. Due Diligence. For a period of twelve (12) months commencing on the Effective Date (the "Due Diligence Period") and subject to Section 2.3, Lessee and its agents, employees and independent contractors shall have the non-exclusive right and privilege to enter upon the Property to perform, or cause to be performed site inspections, which shall include, but not be limited to, test borings of the soil, environmental audits, engineering studies and to conduct a survey of the Leased Area and the Easement (collectively, "Due Diligence Activities"). For such purposes, the City shall provide any necessary keys or access codes to the Property if needed for ingress and egress. Lessee shall not unreasonably interfere with the City's use of the Property in conducting these activities. Lessee shall have the right, at its sole cost and expense, to have the Leased Area and the Easements surveyed and to obtain a title commitment for a leasehold title policy covering the Leased Area and the Easements from the title insurance company of its choice. In addition, Lessee will be responsible and liable for personal injury or property damage caused by the acts, omissions, negligence, and/or willful misconduct of Lessee and its officers, agents, employees, sublessees, and/or contractors or subcontractors during such Due Diligence Period arising under or related to this Agreement.
- 2.3. Regulatory Approvals. During the Due Diligence Period, Lessee shall use commercially reasonable efforts to obtain all regulatory approvals for the Permitted Use, including, without limitation, rezoning of the Leased Area for the Permitted Use and a building permit for construction of the Facilities. The City agrees to cooperate with Lessee with the timely review and/or execution of any documents required to obtain all regulatory approvals.

- 2.4. Commencement of Construction. Lessee shall commence construction within one (1) year of the Effective Date. “Commencement of Construction” or “Commence Construction” shall mean commencement of any and all preliminary site work on the Property (including, without limitation, clearing, grubbing, grading, and other site work which qualifies). For the avoidance of doubt, it shall not include the Due Diligence Activities or work done off the Property to prepare for installation of the Facilities, including but not limited to obtaining title reports, government approvals and permits, and ordering utilities.
- 2.5. Holdover. If Lessee remains in possession of the Leased Area after the end of the Term, Lessee shall be deemed to be occupying the Leased Area on a month-to-month basis (“Holdover Term”), subject to all terms and conditions of this Agreement. The Holdover Term may be terminated by the City or Lessee upon thirty (30) days’ written notice to the other. During the Holdover Term, Lessee shall be subject to one hundred fifty percent (150%) of the Rent due, as described in Section 3. Said Holdover Term fee shall be subject to annual rate increases, as described in section 3.2.
- 2.6. Termination by the City. The City may immediately terminate this Agreement upon written notice to Lessee for any of the following: (a) for any Default (as defined in Section 11) that has not been cured within the applicable cure period; (b) upon ninety (90) days’ prior written notice to Lessee if the City is prohibited from leasing the Property for the Permitted Use by any new governmental ordinance or regulation; or (c) if the Commencement of Construction is not within one year in accordance with Section 2.4.
- 2.7. Termination by Lessee. Lessee may immediately terminate this Agreement upon written notice to the City for any Default (as defined in Section 11) that has not been cured within the applicable cure period. Lessee may also terminate this Agreement (a) upon thirty (30) days’ written notice by Lessee to the City, if Lessee is unable to obtain or maintain through no fault of Lessee, any license, permit or other state or federal governmental approval necessary for the construction and/or operation of Lessee’s Facilities; (b) for any reason prior to construction start for consideration of (3) months rent in termination fees; or (c) for any reason upon one (1) year’s advance written notice from Lessee to the City.
- 2.8. Conflicts of Interest. Ariz. Rev. Stat. § 38-511 is applicable to this Agreement and this Agreement may be terminated in accordance therewith.
- 2.9. Amendments. This Agreement may only be amended with the signed, written approval of both parties.
- 2.10. Assignment. Lessee may not assign this Agreement without the written approval of the City, which approval shall not be unreasonably withheld, delayed, or conditioned. Notwithstanding the forgoing to the contrary, Lessee shall have the right to assign or transfer its interest under this Agreement, in whole or part, without City’s consent, to: (a) an affiliate entity of Lessee, (b) any entity with a net worth of at least Twenty Million Dollars (\$20,000,000), (c) any entity that acquires all or substantially all of Lessee’s assets in the market as defined by the FCC in which the Property is located, or (d) an entity whose primary business is managing and maintaining wireless communications towers. For purposes of this Agreement, an “affiliate entity of Lessee” shall mean any person or entity which Lessee or its respective partners, directly or indirectly, through one or more intermediaries, controls, is in common control with, or is controlled by. Upon notification to City of a permitted assignment, the assignor will be relieved of all future performance, liabilities and obligations under this Agreement to the extent of such assignment.

3. RENT

- 3.1. Monthly Fee. “Rent” shall be due and payable to the City upon Commencement of Construction (“Rent Commencement Date”) and upon the first day of each month thereafter. Rent shall be payable in advance on or before the fifteenth (15th) day of each calendar month and shall be remitted to the address shown for the City in Section 14.11 of this Agreement, or such other address as the City may direct by notice of writing to Lessee. Rent shall be prorated for any partial month at the Rent Commencement Date or termination of this Agreement, based upon the number of days in those months. Rent shall be paid by Lessee at the following rate: \$1,800.00 per month, subject to annual rate increases and Holdover Term fees.
- 3.2. Annual Rate Increase. Throughout the Term of this Agreement, the Rent shall be increased annually upon each anniversary of the Rent Commencement Date by two and a half percent (2.5%).
- 3.3. Taxes. Lessee shall pay all applicable taxes, including, but not limited to, any applicable City transaction privilege tax and all real, leasehold, and personal property taxes assessed on or any portion of such taxes attributable to the Leased Area and Lessee’s Facilities. Lessee shall reimburse the City for all tax increases on the Leased Area, including, but not limited to, all taxes levied upon Lessee’s Facilities.

4. SUBLEASES

- 4.1. Sublease. Lessee may sublease, subject to approval by the City which shall not be unreasonably withheld, conditioned, or delayed, all or a portion of the Leased Area to sublessee(s), subject to all terms and conditions of this Agreement and only for the Permitted Use. Lessee shall include language in any sublease agreement that references this Agreement and binds sublessee to the same terms and conditions that Lessee is subject to under this Agreement. Upon request, Lessee shall provide the City with a list of all sublessees of this Agreement, including their names, contact information, locations and collocations of any sublessee Facilities installed, and any sublease agreements between Lessee and the sublessee. No sublessee may collocate any sublessee Facilities to the Leased Area without obtaining a permit from the City.
- 4.2. Subleasing Fee. In addition to all other amounts set forth in Section 3, Lessee shall pay to the City as additional a monthly amount equal to twenty percent (20%) of the rent paid per sublessee per month to Lessee for subleasing and/or use of the Leased Area or a portion thereof (“Sublessee Fee”). The Sublessee Fee shall be paid at the same time as the Rent payments under this Agreement. Said Sublessee Fee shall not be applied to New Cingular Wireless PCS, LLC, or an affiliate entity thereof, as the primary tenant in any case. The City shall have the right to audit all subleases and related transactions entered into by Lessee for use of the Leased Area.

5. CONDITION; MAINTENANCE; WARRANTIES

- 5.1. Condition of Leased Area. Lessee is responsible for the study and inspection of the Leased Area and for determining the fitness for use intended by Lessee. The City expressly disclaims all warranties of the Leased Area, including, but not limited to, warranties of merchantability, warranties for fitness for a particular purpose, and absence of hazardous conditions associated with the Leased Area. Lessee accepts the Leased Area in “AS-IS” condition, without representation or warranty of any kind by the City, its officers, officials, agents, or employees, and subject to all laws governing the use of the Leased Area for the purposes stated herein.

- 5.2. Maintenance. Lessee shall keep and maintain the Leased Area in commercially reasonable and safe condition during the Term, at Lessee's sole expense. The City neither assumes, nor shall it have any responsibility for, the condition of the Leased Area and the City shall not be responsible for the construction, maintenance, upkeep, or repairs necessary to keep the Leased Area safe and serviceable for the intended uses.
- 5.3. Return of Leased Area. Within ninety (90) calendar days after the end of the Term or earlier termination of this Agreement, Lessee shall return the Leased Area to the same condition that existed prior to the execution of this Agreement, ordinary wear and tear excepted, including, without limitation, removal of all surface and subsurface materials (for subsurface materials, to a depth of four (4) inches); however, Lessee shall leave in place all underground power runs and/or other electrical lines within the Leased Area and the Property. Lessee shall continue to pay Rent until Lessee has made a full physical return of the Leased Area to the City.
- 5.4. Utilities. Lessee is responsible for obtaining and paying for all utilities related to its use of the Leased Area, including, without limitation, electric service. Lessee is responsible for setting up its own accounts with utility providers for its use of the Leased Area.
- 5.5. Transfer of Leased Area. The City may abandon, sell, lease, assign, or otherwise legally transfer the Leased Area or any portion thereof. Any transfer of the Leased Area shall be subject to this Agreement. The City shall give Lessee no less than one hundred eighty (180) days' notice of its intent to sell, lease, assign, or otherwise legally transfer the Leased Area or any portion thereof.
- 5.6. Condemnation. In the event the City receives notification of any condemnation proceedings affecting the Leased Area, the City will provide notice of the proceeding to Lessee within forty-eight (48) hours. If a condemning authority takes all of the Leased Area, or a portion thereof that Lessee determines renders the Leased Area unsuitable for Lessee, this Agreement will terminate as of the date the title vests in the condemning authority.

6. IMPROVEMENTS

- 6.1. Improvements to Leased Area. Lessee or its sublessees shall not make any improvements to the Leased Area, including, but not limited to, erecting a tower on the Leased Area and placement and/or installation of Lessee's and/or any sublessees' Facilities, except as otherwise shown on the Site Plan attached hereto as **Exhibit B**. The Facilities to be attached to the tower for three (3) wireless carriers, as shown on the Site Plan, are hereby approved by The City. The addition of any Facilities required for a fourth (4th) sublessee on the Leased Area shall not be installed on the tower without the City's consent. In the event that the City consents to the additional Facilities for a fourth (4th) sublessee, the sublessee will submit to the City for the City's approval engineering plans for the additional facilities.
 - 6.1.1. Material Matching Requirements. The Lessee shall ensure that all materials used for the construction or repair of the block wall match the existing wall, at their own expense, in the following aspects: color, texture, size, shape, grout, and mortar.
 - 6.1.2. Any required relocations of City cameras, equipment, fire hydrants, pipes, irrigation, and shrubs shall be the responsibility of the Lessee and shall be performed at the Lessee's sole cost and expense.
- 6.2. Repairs; Replacements. Notwithstanding Section 6.1, Lessee may make reasonable repairs and/or replacements to certain existing Facilities (excluding, by way of example,

the tower improvement or other substantial assets on the Leased Area) so long as the repairs and/or replacements use the same or substantially similar (like for like) equipment or parts as the Facilities being repaired and/or replaced and do not: (a) materially increase the number of Facilities within the Leased Area; (b) increase the size of the Facilities being repaired or replaced by more than ten percent (10%) of the original size when installed (including, but not limited to, the height of the tower improvement); and (c) change the location of the Facilities on the tower. The changes contemplated in this section are intended to accommodate minor changes in technology, such as upgrades to microwave dishes or antennae. Lessee shall provide the City with all documents showing such repairs and replacements. Access to make such repairs and/or replacements outside of normal business hours must be coordinated with the City pursuant to Section 8.1. Nothing herein is intended to prevent Lessee from complying with any applicable federal, state, and/or local law, rule, or regulation.

6.2.1. In the event of a change to local regulations regarding cell tower height, Lessee may seek City approvals to modify or replace the existing pole. All of the Lessee's construction and modification work shall be performed at Lessee's sole cost and expense and is subject to the City's review processes and approvals. Approvals shall not be unreasonably withheld, conditioned, or delayed.

- 6.3. Permits and Approvals. The zoning processes, building permit processes, and similar regulatory requirements that apply to Lessee's use of the Leased Area are completely separate from the processes set forth in this Agreement. Lessee's satisfaction of any requirement of this Agreement does not substitute for compliance with any other regulatory requirement. Similarly, Lessee's satisfaction of any other regulatory requirement does not substitute for compliance with any requirement of this Agreement. To the extent that regulatory requirements and requirements of this Agreement are the same, compliance with regulatory requirements shall constitute compliance with this Agreement and vice versa.
- 6.4. City Inspections. Lessee shall order City inspections of any applicable Facilities during and upon completion of installation of the Facilities, if required under the governmental permitting and approval process, which inspections by City will be done in City's governmental capacity..
- 6.5. Construction and Installation Work. All of Lessee's construction and installation work shall be performed at Lessee's sole cost and expense, in a good and workmanlike manner, and in compliance with all applicable laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, and local authorities.
- 6.6. Ownership of Facilities. Upon the end of the Term or earlier termination of this Agreement, Lessee shall remove all Facilities within the Leased Area within ninety (90) calendar days thereafter, except as otherwise described in this Agreement. Said removal includes, but is not limited to, removal of all surface and subsurface improvements and materials installed by Lessee and its sublessees, except as otherwise provided in Section 5.3 above. The City acknowledges that Lessee's Facilities installed by Lessee shall remain the personal property of Lessee and Lessee may remove the same at any time during the Term or within ninety (90) calendar days thereafter. The parties may agree on a transfer of ownership of any improvements in writing signed by both parties and/or as described in this Agreement.
- 6.7. Stealth Design. The City requires that all improvements made onto the site shall follow and abide by Chapter 107 Article V Wireless Facilities Regulations of the City of Surprise

Code of Ordinances. In addition to these regulations, the City will require the tower to be camouflaged as a monopalm, monocactus, monopine, monobroadleaf, or another method that is approved by City staff. The Lessee shall coordinate on the design with City staff in good faith.

7. INTERFERENCE

- 7.1. Interference. “Interference” means any type of interference, whatsoever, including but not limited to: blocking or impeding access to a location or destination/physical interference; electrical interference; mechanical interference; radio frequency (“RF”) interference; and interference with the use or enjoyment of real property.
- 7.2. No Interference. All of Lessee’s Facilities shall only be used in a lawful manner that will not cause any Interference including, but not limited to, Interference with: (a) any existing or future public safety communication systems (including, without limitation, fire, police, or other emergencies) or any existing or future activities, work, projects, or other operations by the City (“City Operations”); (b) the access to the Leased Area; (c) any use or enjoyment of the Property; or (d) the activities of any other lessee, licensee, or other user or occupant of the Property. Lessee’s use of the Leased Area is subject and subordinate to all public safety communications systems and City Operations and any Third-Party Facilities (as described in Section 7.3 below).
- 7.3. Third-Party Facilities. Lessee shall not operate Lessee’s Facilities in any manner that causes Interference with third-party wireless facilities, telecommunications systems, communications equipment, support structures, and any other related equipment that exist prior to installation of Lessee’s Facilities (“Third-Party Facilities”). If at any time the City receives notice or becomes aware that Lessee’s Facilities or its improvements are causing any Interference with Third-Party Facilities, Lessee shall immediately remedy such Interference in accordance with Section 7.4.
- 7.4. Remedy Interference. If it is determined, by the City in its sole and final discretion, that Lessee’s Facilities are the cause for any Interference as described in this Section 7, Lessee shall: (i) remedy such Interference as soon as possible but no later than seventy-two (72) hours after determination that such Interference is caused by Lessee’s Facilities, or (ii) cease operation of Lessee’s Facilities and/or Lessee’s use of the Leased Area until such Interference is eliminated. If such Interference is not remedied within the 72-hour period, the City may take all necessary and reasonable steps, at Lessee’s sole cost and expense, to eliminate the Interference, including, but not limited to, shutting off the power to the Improvements, Lessee’s Facilities, and/or the Leased Area. If Lessee cannot eliminate its Interference, the City may immediately terminate this Agreement, except for Lessee’s obligation to pay rent or any costs due and owing, if any, up to the date of termination.
- 7.5. No City Liability for Interference. The City and its council members, officials, officers, boards, commissions, agents, and employees, shall not be liable to Lessee, any of Lessee’s customers/clients, or any sublessee or their respective customers/clients, for any Interference with Lessee’s/sublessees’ Facilities, the Lessee’s improvements, or Lessee’s use of the Leased Area, whatsoever.
- 7.6. The City’s Interference. The City shall not use, nor shall the City permit its lessees, licensees, invitees or agents to use, any portion of the Property adjacent to the Leased Area in any way which interferes with the wireless communications signals from the Facilities or access to the Leased Area by Lessee and its employees, contractors, subtenants, and licensees, subject to the pre-existing rights described in paragraphs 7.2

and 7.3 above. Such interference shall be deemed a Default and subject to Section 11 of this Agreement.

- 7.7. No Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of, or enforceable by, any third party, including, without limitation, any customers/clients of Lessee or any sublessee or their respective customers/clients. No third party shall obtain any right under any provisions of this Agreement or shall by reason of any such provision make any claim in respect of any debt, liability, or obligation (or otherwise) against any party hereto.

8. ACCESS; SAFETY

- 8.1. Access to Leased Area. Unless there is a condition on the Leased Area or with the Facilities constituting an emergency, Lessee shall coordinate all access to the Leased Area outside of normal business hours, which shall not be unreasonably withheld, conditioned, or delayed, with the City Water Resources Management's Supervisory Control and Data Acquisition (SCADA) division. The City shall provide such contact information for the SCADA division standby personnel. An emergency, as defined for this Section 8.1 only, means Lessee's or its sublessee's RF signals at the Leased Area, operation of the Facilities, or power thereto goes down.
- 8.2. RF Letter. Lessee agrees to comply with all federal, state and local laws, orders, rules and regulations ("Laws") applicable to Lessee's or Sublessees' use of the Facilities on the Property. City agrees to comply with all Laws relating to City's ownership and use of the Property and any improvements on the Property.
- 8.3. Emergency Contact. Lessee shall require its sublessees to post a 24-hour Network Operations Center (NOC) contact number for all Facilities (Lessee's or sublessees') within the Leased Area (at a conspicuous, easily-identifiable, ground-level location) for emergency purposes. The NOC numbers shall be manned 24/7 by qualified individuals for these purposes.
- 8.4. Signage. Lessee shall not install any signs in the Leased Area other than safety warning signs, signs required by law or this Agreement, or other signs as are reasonably requested or approved by the City. Lessee shall bear all costs pertaining to the erection, installation, maintenance, and removal of all signs installed by Lessee.
- 8.5. City Emergency Access. The City shall have 24/7 access to the Leased Area for any purpose, including, but not limited to, access by public safety personnel. Except in the event of an emergency, the City shall contact Lessee prior to entering the Leased Area.
- 8.6. Building and Safety Codes. Lessee shall comply with all applicable federal, state, and local laws, rules, and regulations, including all building and safety codes.
- 8.7. Backup Power Supplies. Intentionally Deleted.
- 8.8. Emergency Shut-Off. Intentionally Deleted.

9. LIMITATION OF LIABILITY; INDEMNIFICATION

- 9.1. Limitation of Liability. Lessee shall not seek, and hereby irrevocably waives, all monetary damages, including, but not limited to, any lost revenue, lost profits, loss of technology, loss of rights or services, loss of data, interruption or loss of use of service, lost opportunity, incidental damages, punitive damages, indirect damages, or special or consequential damages, whether under theory of contract, tort (including negligence, strict liability, or otherwise), or in equity, as a consequence of or arising from this Agreement or its breach.

This Section does not waive or affect either party's remedies in cases of fraud or intentional torts.

- 9.2. Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend and hold harmless the City, from and against any and all third-party claims, demands, suits, actions, proceedings, loss, cost and damages, including any reasonable attorneys' fees and/or litigation expenses (hereinafter referred to as "Indemnitees"), to which any such Indemnitees may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions with respect thereof) relate to, arise out of, or are caused by or in connection with; (i) loss or damage to any property or interest of the City, (ii) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of Lessee, its employees, sublessees, agents, representatives, or contractors, or the employees, agents, or representatives of such contractors, (iii) any use or occupancy of the Leased Area by Lessee, its personnel, employees, agents, or contractors, except to the extent such claims are caused by the intentional misconduct or sole negligence of any Indemnitees or persons acting under any Indemnitees; (iv) any worker's compensation claims, unemployment compensation claims or unemployment disability compensation claims of employees of Lessee or claims under similar such laws or obligations; (v) any interference, whatsoever, caused, directly or indirectly, by Lessee or its sublessees to a Third-Party Facility that exists prior to installation of Lessee's Facilities on the Leased Area, and/or (vi) failure by Lessee or sublessee(s) to comply with all applicable, existing or future, federal, state, and/or local laws, rules, or regulations. This indemnification obligation shall not extend to any loss, damage, injury, or death to the extent caused by the negligence or willful misconduct of City, or its employees, agents, or contractors.

10. INSURANCE

- 10.1. Insurer Qualifications. Without limiting any obligations or liabilities of Lessee, Lessee shall carry and maintain, at its own expense, hereinafter insurance with insurance companies duly licensed by the State of Arizona with an A.M. Best, Inc. rating of "A- VII". Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option. The City in no way warrants that the above-required minimum-insurer rating is sufficient to protect Lessee from potential insurer insolvency.
- 10.2. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Lessee. Failure to demand such evidence of compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve Lessee from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- 10.3. Insurance Requirements.
- 10.3.1. Lessee shall carry and maintain for the Term of this Agreement, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Lessee, its agents, representatives, employees, subcontractors, or sublessees.
- 10.3.2. The insurance requirements herein are requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the limits contained herein are sufficient to protect Lessee, or any sublessee, from liabilities that might arise out of the performance of the work under

this Agreement by Lessee, its agents, representatives, employees, subcontractors, or sublessees, and Lessee is free to purchase additional insurance.

10.3.3. Coverage provided by Lessee may not be limited to the liability assumed under the indemnification provisions of this Agreement.

10.3.4. Sublessees. Any and all sublessees are subject to the same terms and conditions and insurance requirements applicable to Lessee under this Agreement. Lessee's certificates of insurance shall list the "City of Surprise" as an additional insured.

10.4. Scope and Limits of Coverage. Lessee shall provide coverage with limits of liability of those stated in this Agreement below:

10.4.1. *Commercial General Liability – Occurrence Form.*

The policy shall include bodily injury, property damage, personal and advertising injury, and contractual liability coverage. Lessee may use any combination of primary and excess insurance to meet the total limits required.

General Aggregate	\$4,000,000
Each Occurrence	\$2,000,000
Fire Legal Liability	\$50,000
Personal and Advertising Injury	\$1,000,000

10.4.2. *Business Automobile Liability.*

The policy shall include coverage for bodily injury and property damage for any owned, hired, and/or non-owned vehicles used in the performance of this Agreement.

Combined Single Limit (CSL)	\$1,000,000 each accident
-----------------------------	---------------------------

10.4.3. *Workers' Compensation and Employers' Liability.*

The policy shall include workers' compensation statutory coverage pursuant to State of Arizona requirements and employers' liability

Per Accident	\$1,000,000
Per disease per employee	\$1,000,000
Policy Limit	\$1,000,000

10.4.4. *Professional Liability (Errors and Omissions Liability).*

The policy shall include professional liability coverage.

Each Claim	\$500,000
Annual Aggregate	\$1,000,000

10.4.5. *Environmental/Pollution Liability.*

Pollution legal liability self-insurance covering third party claims for bodily injury, property damage or cleanup costs or any other related items, where the pollution is caused during Lessee's operations under this Agreement.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

10.4.6. Lessee shall secure insurance coverage sufficient to protect all of Lessee's Facilities and other Improvements under this Agreement from any and all losses, whatsoever.

10.5. Additional Requirements. The insurance policies required under this Agreement shall: (a) be written on an occurrence form; (b) include the "City of Surprise" as an additional insured by endorsement as respects to this Agreement under the commercial general liability and automobile liability; (c) to the extent permitted by law, contain a waiver of subrogation

against the City of Surprise and its council members, boards, commissions, officials, officers, employees, and subcontractors under the commercial general liability, automobile liability and workers compensation insurance policies; (d) be primary and non-contributory with respect to all other sources. Lessee shall provide the City with all applicable endorsements to evidence the foregoing requirements. Further, all certificates of insurance for policies required under this Agreement shall identify this Agreement by the Agreement Number in the policy description.

- 10.6. Verification of Coverage. Lessee shall furnish the City with a certificate of insurance and an endorsement for each policy. **All of the required insurance documents shall be in effect and received and approved by the City's Risk Management division before Lessee takes possession of all or a portion of the Leased Area and before any work begins under this Agreement, and shall remain in effect for the Term of this Agreement.** Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, shall be a material breach of this Agreement.

Risk Management Division, contact information:

City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374
Attn: Risk Manager

E-mail: riskmanagement@surpriseaz.gov

- 10.7. Notice of Cancellation. Lessee shall provide the City with at least thirty (30) days' advance written notice of any cancellation or nonrenewal of any required coverage that is not replaced. Such notice shall be sent directly to the City's Risk Management division. If insurance is replaced, Lessee shall provide evidence of new insurance to the City.
- 10.8. Modifications to Coverage. Any modification or variation from the insurance requirements in this Agreement will be approved by the City in its sole discretion, whose decision is final. Further, the City shall have the right to reasonably require additional insurance coverage upon written notice to Lessee. Such actions will not require a formal Agreement amendment, but may be made by administrative action signed by the City's Risk Manager or their designee.

11. DEFAULT

- 11.1. Each of the following occurrences shall be an event of "Default":

- 11.1.1. Default made by Lessee or the City of any of the covenants, agreements, conditions, or undertakings herein to be kept, observed, and performed that continues for thirty (30) days and the cure of which has not been diligently commenced within thirty (30) days after written notice is given by non-defaulting Party to the defaulting Party.
- 11.1.2. If Lessee should voluntarily file any petition, or have an involuntary petition filed on its behalf, under any chapter or section of the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, or shall file an answer admitting insolvency or inability to pay its debts; provided however, that Lessee shall not remain in default if it continues to comply with all other terms and conditions of this Agreement.
- 11.1.3. If a trustee or receiver shall be appointed for Lessee or for a major portion of its property or its Facilities.

11.1.4. If any court shall have taken jurisdiction of a major portion of the property or the Facilities of Lessee in any involuntary proceeding for dissolution, liquidation or winding up of Lessee and such jurisdiction shall not be relinquished or vacated within sixty (60) days.

11.1.5. If Lessee makes an assignment for the benefit of its creditors.

12. RIGHT OF REENTRY

- 12.1. Upon the occurrence of any Default by Lessee that is not cured within the applicable cure period, and at any time after the expiration of the applicable cure period, the City shall have the right, at its election, to give written notice to Lessee stating that this Agreement shall terminate on the date specified by such notice, and upon the date specified in such notice, this Agreement and all rights of Lessee hereunder shall terminate. Upon such termination, Lessee shall quit and peacefully surrender to the City the Leased Area. Notwithstanding the foregoing, Lessee shall have a period of ninety (90) days to remove all Facilities and other Improvements in accordance with Sections 5.3 and 6.6. Upon termination, Lessee shall immediately discontinue, and shall ensure that all of its sublessees discontinue, any and all transmission of communication signals, whatsoever, from Lessee's and sublessees' Facilities and other Improvements. Notwithstanding anything to the contrary contained in this Agreement or under applicable Laws, City shall have no right to reenter the Leased Area and expel, remove or put out Lessee or any persons occupying or using the Leased Area under Lessee, unless and until City has terminated this Agreement and Lessee has failed to remove the Facilities and restore the Leased Area in accordance with the terms of Section 5.3 and 6.6 of this Agreement.
- 12.2. Lessee shall reimburse the City the cost of repairing any damage to the Leased Area, other than normal wear and tear, if not repaired in accordance with Section 5.3 and 6.6. The City shall provide an itemized list of all damage with the cost of repair for each item.

13. REMEDIES

- 13.1. The City's Remedies. In addition to all other rights set forth under this Agreement, the City may pursue any remedy at law or in equity, including, but not limited to, injunctive relief, civil trespass, and withholding other City permits and authorizations required under this Agreement for use of the Leased Site until Lessee complies with the terms of this Agreement or any applicable law. Such City remedies are cumulative and may be pursued in the alternative. The City's remedies set forth in this Agreement are not exclusive. Election by the City of one remedy does not preclude the use of other remedies.
- 13.2. Lessee's Remedies. Lessee's shall have all remedies available under law and equity for any breach of this Agreement by the City that isn't cured within the applicable cure period, including but not limited to the right to seek an action for equitable or injunctive relief or an action to compel specific performance, and Lessee shall also have the right to terminate this Agreement immediately upon written notice thereof to City.
- 13.3. Each right and remedy provided for in this Agreement shall be cumulative and in addition to every other right or remedy provided for in this Agreement now or hereafter existing at law or in equity or by statute or otherwise; and the exercise or beginning of the exercise of any one or more of such rights or remedies shall not preclude the simultaneous or later exercise of any or all other rights or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise.

- 13.4. If during any one period of twelve (12) consecutive months, the City or Lessee has served three (3) written notices of different Defaults upon the defaulting Party, and such Defaults remain uncured after the notice and cure period or the defaulting Party has not commenced any action to cure the Default, the fourth Default shall be deemed an incurable Default and the non-defaulting Party shall be entitled to terminate this Agreement.
- 13.5. In the event either Party shall be in Default of this Agreement, which Default remains uncured during any applicable cure period provided herein, the non-defaulting Party may at any time, with further notice, cure such breach for the account and at the expense of the defaulting Party. If the non-defaulting Party at any time, by reason of such breach, is compelled to pay or elects to pay any sum of money or to do any act that will require the payment of any sum of money, or is compelled to incur any expense, the actual sum or sums so paid by the non-defaulting Party, with interest not to exceed eight percent (8%), shall be paid by the defaulting Party within fifteen (15) business days of an itemized written demand.
- 13.6. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, governmental shutdown, civil commotion, fire or other casualty, and other causes beyond the control of the Party obligated to perform (a "Force Majeure Event"), shall excuse the performance by such Party for a period equal to any such prevention, delay or stoppage.

14. MISCELLANEOUS

- 14.1. Recitals. The Recitals set forth above are hereby incorporated by reference, as if fully set forth herein.
- 14.2. Applicable Law. This Agreement is governed by the laws of the State of Arizona and any suit pertaining to this Agreement, or interpretation and/or enforcement thereof, shall be brought only in the State courts in the State of Arizona in Maricopa County.
- 14.3. Compliance with Laws. Lessee shall comply with all applicable federal, state, and local laws, rules, statutes, and regulations relating to its uses of the Leased Area and the permitted uses of the Lessee's Facilities on the Leased Area. No required approval herein for improvements shall be deemed to prevent Lessee's compliance with any applicable law, rule, statute, or regulation related to Lessee's use of the Lessee's Facilities on the Leased Area.
- 14.4. Authority. Each person executing this Agreement on behalf of any party hereto warrants that they have the right and authority to execute this Agreement, and that all the procedures and approvals that are necessary and required to enable them to properly execute this Agreement and to bind the person or entity whom they represent in accordance with the terms hereof have been followed and/or secured. Each party agrees to execute and deliver all documents and to perform all further acts as may be reasonably necessary to carry out the provisions of this Agreement.
- 14.5. Public Records. Lessee acknowledges that this Agreement and the City are subject to laws regarding open public records, including, without limitation, Arizona public record laws under A.R.S. Title 39 and the Freedom of Information Act (FOIA).

- 14.6. **Liens.** Lessee shall not do or allow or cause anything to be done whereby the Leased Areas may be encumbered by a construction lien or any other type of lien. Notice is hereby given that the City will not be liable for any labor or materials furnished to Lessee on credit, and that no construction or other lien for any such labor or materials shall attach to or affect the City's interest in and to the Leased Area. If any lien is filed against the Leased Area, Lessee shall discharge the lien or bond the lien off in a manner reasonably satisfactory to City within thirty (30) days after Lessee receives written notice that the lien has been filed. Lessee shall immediately provide the City a copy of any written notice when received. Lessee shall indemnify, defend, and hold harmless the City from all claims, demands, costs, and liabilities, including reasonable attorney's fees and costs, in connection with or arising out of any such lien or claim of lien.
- 14.7. **Hazardous Substances.** Neither Lessee nor any contractors engaged by Lessee shall produce, dispose, transport, treat, use, generate, or store any Hazardous Substances on, under, about, or within the Property or Leased Area in violation of the Arizona Hazardous Waste Management Act, A.R.S. § 49-901, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., or the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., or any other federal, state, county, or local law or regulation. Lessee and any of Lessee's contractors may not use the Leased Area in a manner that would require a permit or approval related to Hazardous Substances from the Arizona Department of Health Services or any governmental agency other than City. Lessee will pay, indemnify, defend, and hold City harmless against any loss or liability incurred by reason of any Hazardous Substance produced, disposed of, or used on the Property by Lessee or any contractor engaged by Lessee and must immediately notify City of any Hazardous Substance at any time discovered or existing upon the Leased Area. Lessee and any of Lessee's contractors will ensure that any on-site or off-site storage, treatment, transportation, disposal, or other handling of Hazardous Substance will be performed by persons who are properly trained, authorized, licensed, and otherwise permitted to perform those services.
- 14.8. **Environment.** Lessee shall comply with all applicable federal, state, and local laws, rules, and regulations governing the protection of the environment and/or employee health and safety. Lessee shall indemnify, defend, and hold the City and each council member, officer, official, board, commission, employee, and agent thereof from claims resulting from Lessee's violation of any applicable environmental or employee health and safety laws and/or if Lessee causes a release of any regulated substance to the environment. Nothing in this Section shall limit the other indemnification or insurance requirements in this Agreement.
- 14.9. **Oil, Gas, and Mineral Rights.** The City owns all rights to oil, gas, and minerals found on, in, above, or below the Leased Area. Nothing here shall be deemed a transfer of the City's right to oil, gas, and/or mineral found on, in, above, or below the Leased Area.
- 14.10. **Attorney's Fees.** If attorney's fees are available under this Agreement, attorney's fees may only be sought upon a non-appealable judgment on the merits and only at the discretion of the court.
- 14.11. **Notice.** For Notices of Default to Lessee, notices must be sent to Lessee's Lease Administration Department by email at NoticeIntake@att.com; and to Lessee's Law Department via first class certified or registered mail, return receipt requested or by a nationally recognized overnight courier, postage prepaid, addressed to:

New Cingular Wireless PCS, LLC
Attn.: Legal Dept – Network Operations

Re: Cell Site: AZL01645 / Happy Valley Water (AZ)
Fixed Asset #: 15458380
208 S. Akard Street
Dallas, TX 75202-4206

All other notices will be sent:

- (a) To Tenant's Lease Administration Department by email at NoticeIntake@att.com with the FA#, Cell Site #, and Cell Site Name in the email subject line; and
- (b) To City at:

If to the City:
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374
Attn: WRM Director

with a copy to:
Surprise City Attorney's Office
16000 N. Civic Center Plaza
Surprise, AZ 85374

Facsimile: 623-222-7001

Facsimile: 623-222-1101

Notices by email to Tenant's Lease Administration Department will be effective on the first calendar day after it was sent unless the sender receives an automated message that the email has not been delivered. Electronic mail shall be sent with a read receipt, but a read receipt shall not be required to establish that notice was given and received. All other notices shall be effective when properly sent and received or refused, unless returned undelivered.

Either party hereto may change the place for the giving of notice to it by thirty (30) days' prior written notice to the other party hereto as provided herein.

- 14.12. Time of the Essence. Time is of the essence in each and every provision of this Agreement.
- 14.13. Binding on Successors. The terms and conditions of this Agreement will run with the Leased Area is binding upon, and inures to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.
- 14.14. Recording. A memorandum of this Agreement shall be executed by the City and Lessee to be recorded in the official records of Maricopa County, Arizona at the sole cost and expense of Lessee.
- 14.15. Independent Contractor. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third person to create the relationship of principal and agent, partnership, joint venture, or any association between the City and Lessee other than as contracting parties, and landlord and tenant.
- 14.16. Severability. The provisions of this Agreement are severable. To the extent that any provision is held to be invalid by a court of competent jurisdiction, such holding will not affect any other provision of the Agreement which may remain in effect without the invalid provision.
- 14.17. Conflicts. In the event there is a conflict between this Agreement and any Exhibits attached hereto or any external documents, this Agreement shall control.
- 14.18. Waiver. No provision may be waived except in a writing signed by both parties. The failure by a party to enforce any provision of this Agreement or to require performance by the other party will not be construed to be a waiver, or in any way affect to the right of either party to enforce such provision thereafter.

- 14.19. Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which together constitute but one and the same agreement. The original execution pages of counterpart copies of this Agreement may be attached to any one such copy to form a single, complete document.
- 14.20. Construction. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against, the party drafting the Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement. The headings, captions, and numbers in this Agreement are solely for convenience and shall not be considered in construing or interpreting any provision in this Agreement. Wherever appropriate in this Agreement, personal pronouns shall be deemed to include other genders and the singular to include the plural, if applicable.
- 14.21. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to its subject matter. All previous agreements regarding the subject matter contained herein, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements, or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement will be construed and interpreted according to its plain meaning, and no presumption will be deemed to apply in favor of or against the party drafting the Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in drafting, reviewing, and entering into this Agreement.
- 14.22. Lessee's Title Insurance. In connection with Lessee's title insurance, the City agrees to (a) execute an owner's affidavit substantially in the form required by Fidelity National Title Insurance Company or other title company of Lessee's choice (so long as the City has had the opportunity to review and approve); and (b) provide the City council's written approval of the City entering into this Agreement.
- 14.23. Quiet Enjoyment. City represents, warrants, and agrees that: (i) City solely owns the Property as a legal lot in fee simple; (ii) the Property is not and will not be encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Lessee's Permitted Use and enjoyment of the Premises under this Agreement; and (iii) City grants to Lessee sole, actual, quiet and peaceful use, enjoyment and possession of the Leased Area in accordance with the terms of this Agreement without hindrance or ejection by any persons lawfully claiming under City. For the avoidance of doubt, Lessee acknowledges that this lease is subject to section 7 hereunder, which discusses Interference.
- 14.24. W-9. As a condition precedent to payment, City agrees to provide Lessee with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Lessee, including any sale of the Property, or change in City's name or address.

SIGNATURES ON THE FOLLOWING PAGE(S).

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date the last Party signs.

THE CITY

City of Surprise, an Arizona municipal corporation

By: _____

Printed Name: _____

Title: Director

Date: _____

APPROVED AS TO FORM:

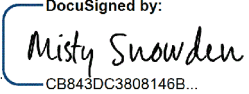
City Attorney's Office

LESSEE

New Cingular Wireless PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation

Its: Manager

By:  _____
CB843DC3808146B...

Printed Name: Misty Snowden

Title: ASSOC DIRECTOR-NETWORK DESIGN ENG

Date: 4/15/2025

NEW AT&T GPS ANTENNA LOCATED TO NEW GRAVITY MOUNT PLATFORM

NEW AT&T 28" X 36" X 12" NEMA 3R
FIBER BOX W/ FIBER SEAL AND
LOCKING HOLES (SEE ELEC)
(NENT HUFFMAN PAPER ATTACHED) -
OR APPROVED EQUAL

NEW AT&T RAYCAP INC. 2000-48-86-06-001 - HIGH
CAPACITY 96 DC PORTS FOR 96U 19IN. 48U 12U 12U
CONNECTIONS IN ALUMINUM ENCLOSURE
(SEE 54868) MOUNTED TO NEW GRAVITY MOUNT
PLATFORM

(1) NEW AT&T 4" SCHEDULE 80
CONDUITS APPROX 10'-0" LONG
(2) NEW FIBER TRUNK CABLES
(3) NEW DC TRUNKS IN ANAL
TRUNK RIGS APPLY 4" FROM
WUC TO NEW AT&T ANTENNAS

NEW AT&T P/LCATS-35-12200-0L ATT
(POWER TRANSFER) LOCATED
MOUNTED TO NEW GRAVITY MOUNT PLATFORM

EDGE OF EXISTING PAVEMENT
PAVEMENT WITHIN NEW AT&T
LEASE LIMITS TO BE REMOVED
BY AT&T CONTRACTOR

EXIST. 9" HIGH SITE
WALL TO BE REMOVED
BY AT&T CONTRACTOR

NEW AT&T 70W MICROPROCESSOR

NEW AT&T 200 AMP,
120/240V, 1A
WALL-MOUNTED METER/
DISCONNECT MOUNTED TO
NEW SCREEN WALL

NEW 9" HIGH SITE WALL TO
MATCH TYPE AND TEXTURE OF
EXIST. (HEIGHT VARIES)

WM

EXIST. P.U.E. LINE

EXIST. U.G. NATURAL GAS LINE

EXIST. U.G. WATER METER

30" OF NEW AT&T SITE WALL / LEASE LIMITS

EXIST. SANITARY SEWER

EXIST. SIDEWALK

EXIST. ACCESS GATES

EXIST. PAVED
SIDEWALK
ENTRANCE

EXIST. 6" VIBR METAL
ACCESS GATES, POINT TO
MATCH SITE WALL

EXIST. EXISTING LIGHT POLE WITH
CAMERA TO BE RELOCATED
LOCATION T.B.D. BY LANDLORD

EXIST. TREE TO
BE REMOVED

EXIST. 6" CURB &
GUTTER

41'-0" NEW AT&T SITE WALL / LEASE LIMITS

CONTAINS 1,572 SQUARE FEET.

EASEMENTS

ACCESS/UTILITY EASEMENT LEGAL DESCRIPTION

A 12.00 FOOT WIDE STRIP OF LAND BEING A PORTION OF TRACT 14D, FINAL PLAT OF RANCHO MERCADO PARCEL A14, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK 1358 OF MAPS, PAGE 40, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, AND BEING SITUATED WITHIN THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 4 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, LYING 6.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 4 FROM WHICH THE SOUTHWEST CORNER BEARS NORTH 89° 49' 20" WEST, 2631.25 FEET;

THENCE NORTH 89° 49' 20" WEST, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, 544.08 FEET;

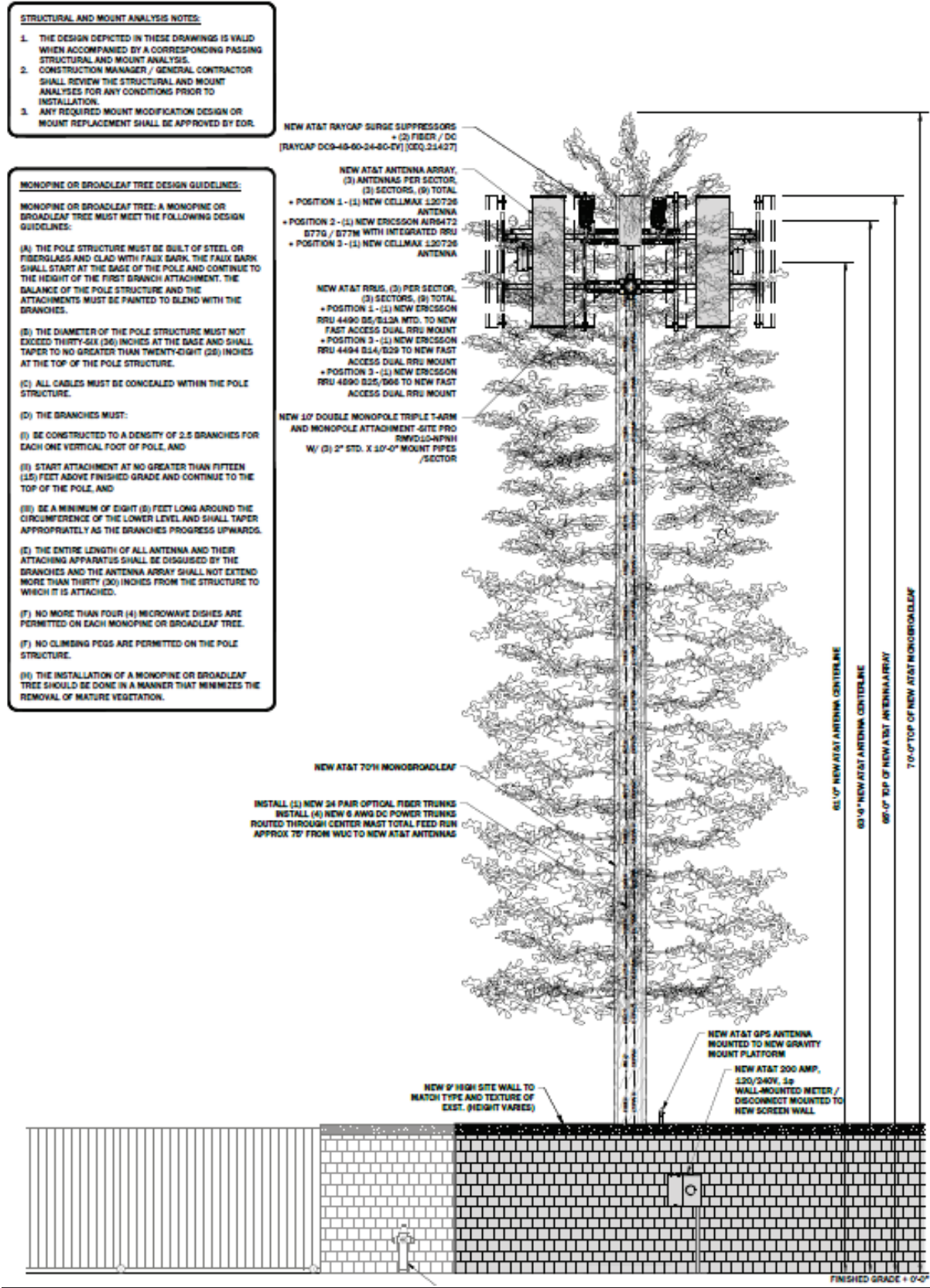
THENCE NORTH 00° 00' 00" EAST, 68.00 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 14D AND TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00° 00' 00" EAST, 43.66 FEET;

THENCE NORTH 90° 00' 00" EAST, 29.85 FEET TO THE POINT OF TERMINUS.

CONTAINS 882 SQUARE FEET.

EXHIBIT B – SITE PLAN OF FACILITIES



Rancho Mercado Cell Tower – Ground Lease

May 6, 2025



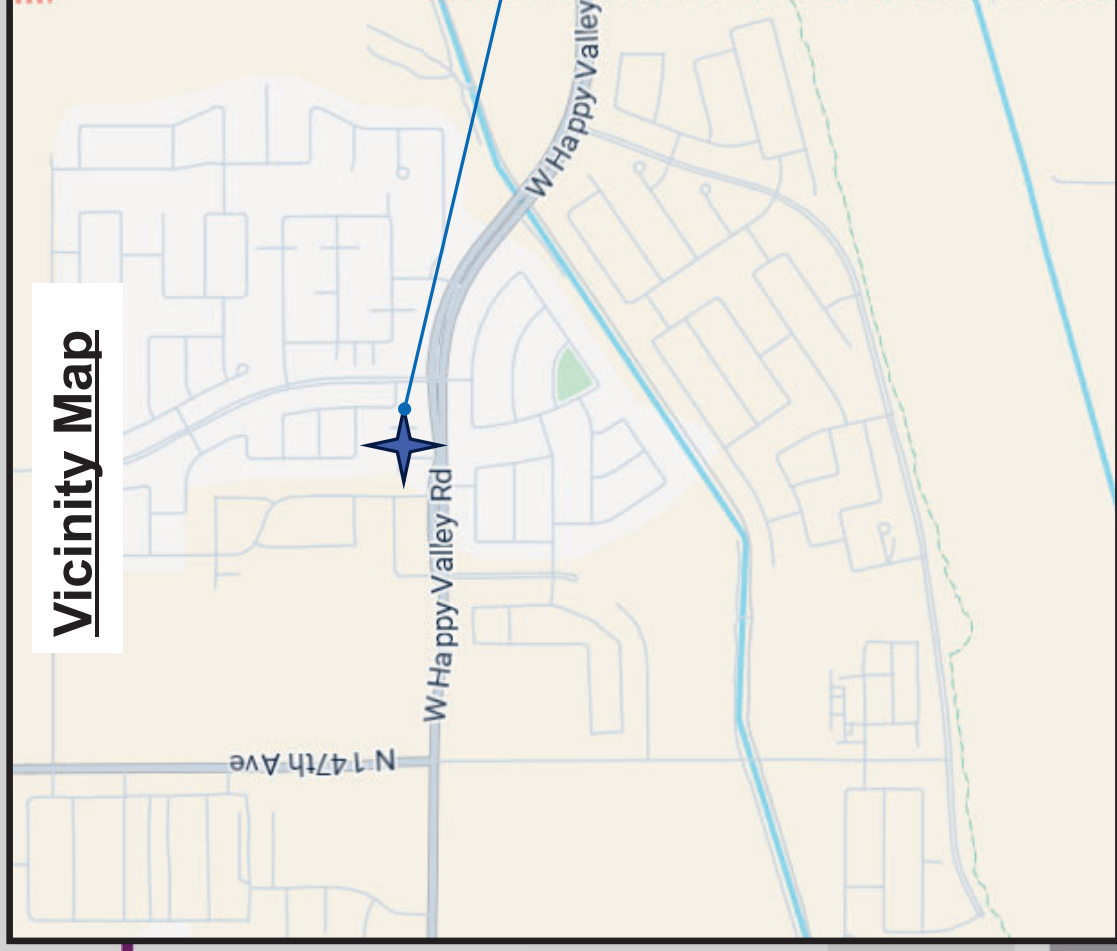
SURPRISE

ARIZONA
Page 168 of 311

Location

- NEC Happy Valley Road and 144th Drive
- Parcel: 503-55-642

Vicinity Map

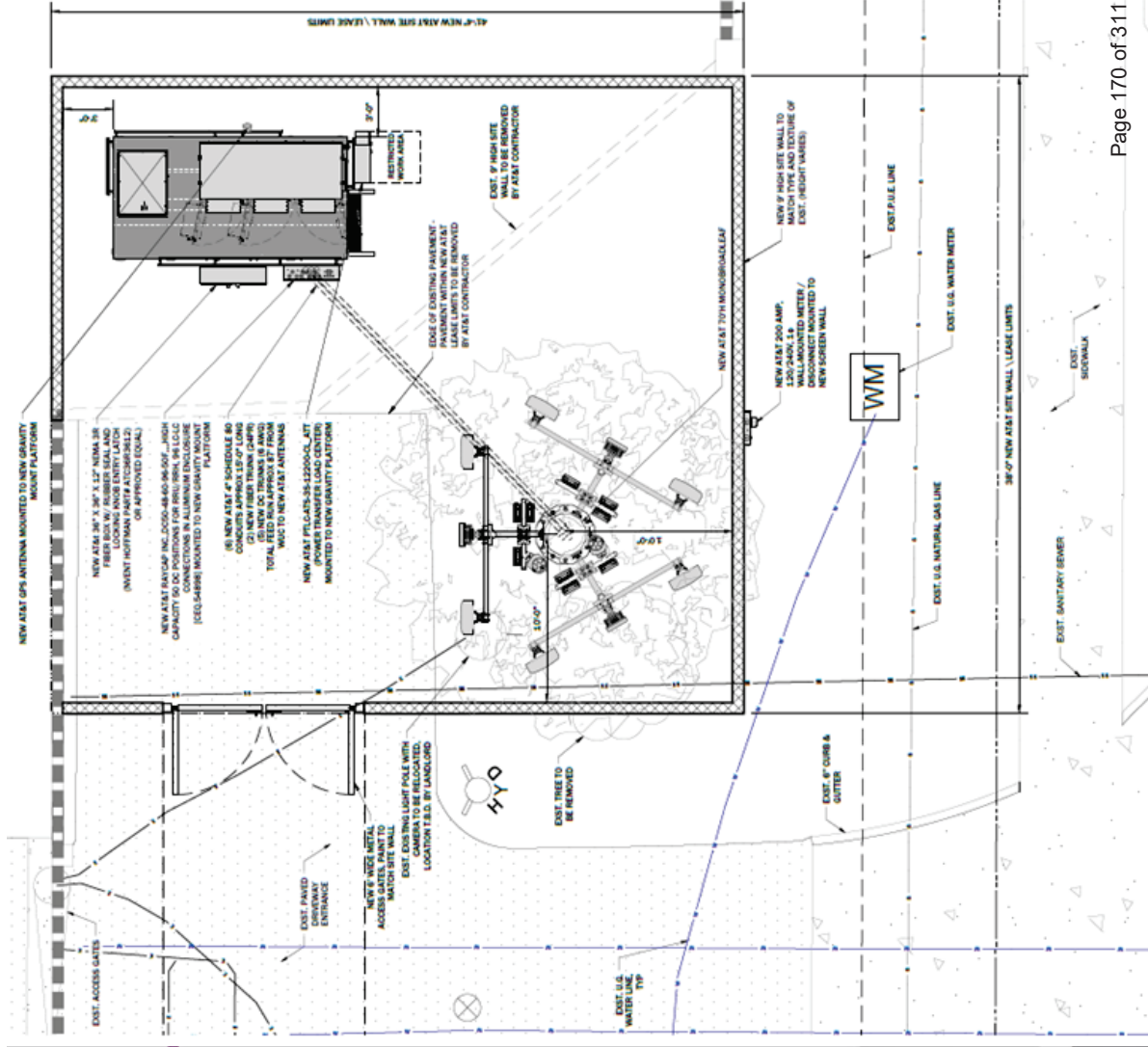


SURPRISE

ARIZONA
Page 169 of 311

Layout - Proposed

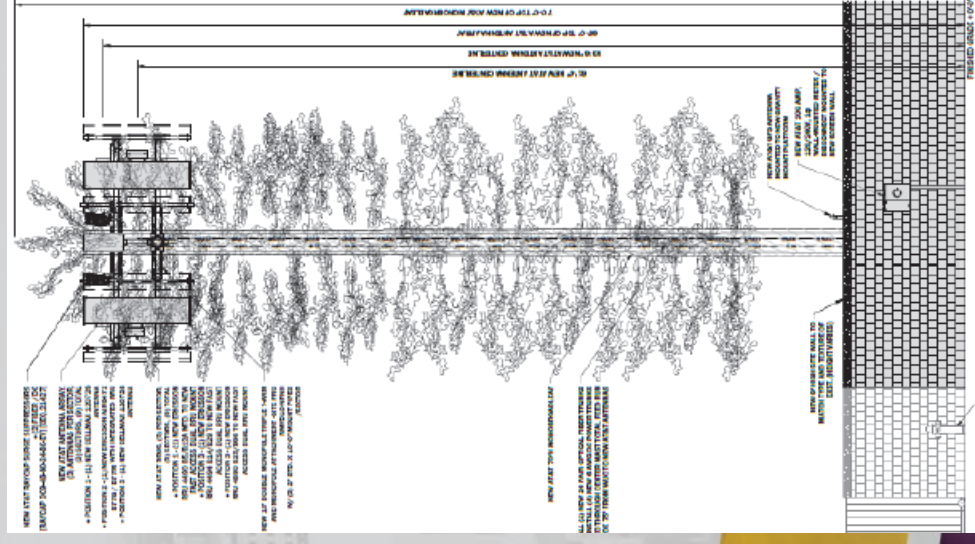
- Separate access from Water Resource Management
- Allows for multiple providers
- 1,572 square feet



Terms

- 10 years
 - Option for 3 additional 5-year periods
- 12 months to begin construction

- 10 years
 - Option for 3 additional 5-year periods
- 12 months to begin construction
- Rent: \$1,800 per month
 - 2.5% annual rate increase
 - 20% revenue share on subleases



Questions or Comments?

THANK YOU



SURPRISE

ARIZONA
Page 172 of 311

Planned Cell Tower Locations – City Ground Leases



SURPRISE

ARIZONA
Page 173 of 311

RESOLUTION # 2025-53

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA APPROVING A LEASE AGREEMENT FOR A CELL TOWER SITE BETWEEN THE CITY OF SURPRISE AND NEW CINGULAR WIRELESS PCS, LLC.

WHEREAS, New Cingular Wireless PCS, LLC (“New Cingular Wireless”) constructs, maintains, and operates towers within the State of Arizona and offers its services to telecommunications providers to locate upon its towers;

WHEREAS, the City owns real property located at 14342 West Happy Valley Road Surprise, Arizona, 85387, identified as Parcel No. 503-55-642 in the Maricopa County recording system, commonly known as the Rancho Mercado Water Supply Facility (“Property”);

WHEREAS, New Cingular Wireless desires to ground lease a portion of the property to erect a tower, and to install, maintain, and operate certain wireless facilities, in exchange for monthly lease payments to the city;

WHEREAS, the City desires to expand wireless telecommunications coverage for its citizens and traveling public for the purposes of public safety, economic development and general coverage of and access to wireless services; and

WHEREAS, the Mayor and City Council of the City of Surprise find that entering into a ground lease is in the best interest of the City and its residents.

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

Section 1. The City of Surprise hereby agrees to enter into a Lease Agreement between the City of Surprise and New Cingular Wireless PCS, LLC which is attached hereto as Exhibit A.

Section 2. The City Manager or their designee is authorized to execute any documents and instruments, on behalf of the City of Surprise.

SIGNATURES ON THE FOLLOWING PAGE.

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Andrea Davis, DIRECTOR -
FINANCE, Sandy Simmons, FIN ANALYST - SR
District: Citywide

Submitting Department: Finance

Staff Recommendations: None

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to adoption of the tentative expenditure limitation budget for FY2026; directing publication of said tentative budget; and setting a public hearing for June 3, 2025, at 6:00pm at the City of Surprise Council Chambers, 16000 N. Civic Center Plaza, Surprise, Arizona; Resolution #2025-51.

Motion:

I move to approve Resolution #2025-51.

Background:

The adoption of the tentative budget is the first in a series of three actions by the Mayor and Council that will establish the FY2026 budget and property tax levy amount. The tentative budget sets the maximum expenditure limit for FY2026. After it is adopted, the total expenditures cannot be modified to a higher amount, but can be reduced. The budget forms that serve as Exhibit A to the resolution will be published twice prior to a public hearing and adoption of the final budget that is scheduled to occur on June 3rd. The final step of the FY2026 budget process is adopting the property tax levy on June 17, 2025.

Objective Analysis:

This is the first formal step in the process of adopting and finalizing the FY2026 budget.

Policy Compliant:

This resolution is compliant with City and Council policy, as well as the requirements of Arizona state law.

Financial Impact:

Not applicable; however, items discussed may have an impact on future operations

Budget Impact:

This action will set the maximum expenditure limit for FY2026. Revisions can be made to decrease, but not increase the total expenditure amount for the final budget.

FTE Impact:

Adoption of the tentative budget may increase the number of FTEs in the FY2026 budget.

ATTACHMENTS:

1. Res 2025-51_FY26 Tentative Budget_COS_FINAL
 2. COS Tentative Budget
-

RESOLUTION # 2025-51

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, SETTING FORTH THE TENTATIVE BUDGET IN CONFORMANCE WITH THE EXPENDITURE LIMITATION FOR THE CITY OF SURPRISE FOR FISCAL YEAR 2026.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Mayor and Council of the City of Surprise is required to adopt a budget; and

WHEREAS, the City Manager has prepared and filed with the City Council the City Manager's tentative budget and estimates of expenses for the fiscal year beginning July 1, 2025 and ending June 30, 2026.

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

Section 1. That the statements and schedules attached hereto as Exhibit A and incorporated herein by reference are hereby adopted as the City's official tentative budget and estimates of expenses for the fiscal year beginning July 1, 2025, and ending June 30, 2026, in conformance with the expenditure limitation.

Section 2. That upon approval of the City Council a summary of such official tentative budget and estimates of expenses shall be published in the Daily Independent or other newspaper of general circulation, once a week for two consecutive weeks.

Section 3. That a public hearing shall be held beginning at or after 6:00 p.m. on June 3, 2025, at the Surprise City Council Chambers, 16000 N. Civic Center Plaza, Surprise, Arizona 85374, at which time any taxpayer may appear and be heard in favor of or against any proposed expenditure or tax levy.

SIGNATURES ON THE FOLLOWING PAGE

APPROVED AND ADOPTED this ____ day of _____, 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney

EXHIBIT "A"

Fiscal Year 2026 Budget Statements and Schedules

City of Surprise
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal Year 2026

Fiscal Year	S c h	Funds								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds	
2025	E 1	Adopted/adjusted budgeted expenditure/expenses*	221,796,800	144,604,500	9,276,300	335,655,100	0	192,325,800	48,473,500	952,132,000
2025	E 2	Actual expenditures/expenses**	195,043,600	23,069,200	9,262,100	87,216,300	0	67,902,800	24,523,800	407,017,800
2026	3	Beginning fund balance/(deficit) or net position/(deficit) at July 1***	99,218,200	66,502,900	(53,400)	263,566,400	0	98,895,400	21,145,000	549,274,500
2026	B 4	Primary property tax levy	10,387,300	0	0	0	0	0	0	10,387,300
2026	B 5	Secondary property tax levy	0	3,005,600	7,283,200	0	0	0	0	10,288,800
2026	C 6	Estimated revenues other than property taxes	235,752,500	125,765,800	109,200	76,804,200	0	93,344,900	29,116,700	560,893,300
2026	D 7	Other financing sources	0	0	0	0	0	19,565,600	0	19,565,600
2026	D 8	Other financing (uses)	0	0	0	0	0	0	0	0
2026	D 9	Interfund transfers in	10,266,600	6,450,600	1,583,500	23,350,600	0	17,242,500	0	58,893,800
2026	D 10	Interfund transfers (out)	(29,600,600)	(997,400)	0	(786,700)	0	(27,509,100)	0	(58,893,800)
2026		Line 11: Reduction for fund balance reserved for future budget year expenditures								
LESS:		Maintained for future debt retirement								
	11	Maintained for future capital projects								
		Maintained for future financial stability								
		Maintained for future retirement contributions								
2026		Total financial resources available	326,024,000	200,727,500	8,922,500	362,934,500	0	201,539,300	50,261,700	1,150,409,500
2026	E 13	Budgeted expenditures/expenses	239,018,400	143,841,300	8,322,500	303,773,300	0	190,948,100	50,261,700	936,165,300

Expenditure limitation comparison

	2025	2026
1 Budgeted expenditure/expenses	\$ 952,132,000	\$ 936,165,300
2 Add/subtract: estimated net reconciling items	0	0
3 Budgeted expenditures/expenses adjusted for reconciling items	952,132,000	936,165,300
4 Less: estimated exclusions	0	0
5 Amount subject to the expenditure limitation	\$ 952,132,000	\$ 936,165,300
6 EEC expenditure limitation or voter-approved alternative expenditure limitation	\$ 1,572,829,021	\$ 1,667,919,663

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

City of Surprise
Tax levy and tax rate information
Fiscal year 2026

	<u>2025</u>	<u>2026</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>13,785,971</u>	\$ <u>14,880,892</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>9,816,600</u>	\$ <u>10,387,300</u>
Property tax judgment		
B. Secondary property taxes	<u>8,250,400</u>	<u>10,288,800</u>
Property tax judgment		
C. Total property tax levy amounts	\$ <u>18,067,000</u>	\$ <u>20,676,100</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>9,816,600</u>	
(2) Prior years' levies	<u>102,500</u>	
(3) Total primary property taxes	\$ <u>9,919,100</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>8,250,400</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u>8,250,400</u>	
C. Total property taxes collected	\$ <u>18,169,500</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.5693</u>	<u>0.5534</u>
Property tax judgment		
(2) Secondary property tax rate	<u>0.3880</u>	<u>0.3880</u>
Property tax judgment		
(3) Total city/town tax rate	<u>0.9573</u>	<u>0.9414</u>
B. Special assessment district tax rates		
Secondary property tax rates—As of the date the proposed budget was prepared, the city/town was operating <u>139</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

City of Surprise
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025*	Estimated revenues 2026
General Fund			
Charges for Services			
City Clerk	\$ 202,400	\$ 262,200	\$ 267,500
City Court	724,500	857,600	877,900
Community Development	17,208,300	18,880,200	17,261,300
Economic Development	429,300	279,200	151,800
Finance	68,400	69,700	70,400
Fire - Medical	9,221,300	7,216,400	8,439,300
General Operations	152,600	162,100	165,100
Human Svcs and Comm Vitality	63,700	68,100	75,100
Library	0	4,200	5,000
Parks and Recreation	3,311,200	3,369,700	3,490,400
Police	2,032,700	1,414,500	1,563,200
Public Works	7,234,000	4,850,000	7,252,400
Sports and Tourism	0	0	266,800
Transportation	0	200	0
	\$ 40,648,400	\$ 37,434,100	\$ 39,886,200
Franchise Fees & Licenses			
APS Franchise Revenue	\$ 4,129,600	\$ 4,550,300	\$ 5,098,600
Business License Revenue	490,000	495,000	504,600
Cable TV Franchise Revenue	894,200	832,800	752,600
Right-of-Way Telecom Fee	12,000	254,000	324,100
Sanitation Haulers License Rev	127,200	144,000	0
Southwest Gas Franchise Rev	611,500	607,400	626,500
Water Franchise Revenue	667,100	706,900	769,100
	\$ 6,931,600	\$ 7,590,400	\$ 8,075,500
Intergovernmental			
Auto Lieu Tax (VLT)-County	\$ 7,882,700	\$ 8,028,900	\$ 8,566,400
Library	0	103,100	303,100
Non-Grant Intergovtl Rev-Local	317,300	338,100	334,700
Non-Grant Intergovtl Rev-State	100	207,200	213,400
State Fire Ins Premium Tax Rev	729,600	891,200	1,079,700
State Shared Income Tax Rev	33,115,700	33,671,700	31,495,700
State Shared Sales Tax Rev	23,526,700	23,920,500	24,398,800
	\$ 65,572,100	\$ 67,160,700	\$ 66,391,800
Local Sales Tax			
Bed Tax Revenue	\$ 363,000	\$ 372,900	\$ 378,500
Local Sales Tax Revenue	100,984,800	107,040,300	113,708,900
	\$ 101,347,800	\$ 107,413,200	\$ 114,087,400

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Surprise
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025*	Estimated revenues 2026
Other			
	\$ 3,412,500	\$ 6,955,100	\$ 7,311,600
General Fund Total	\$ 217,912,400	\$ 226,553,500	\$ 235,752,500
Special Revenue Fund			
Arizona Office of Tourism			
Non-Grant Intergovtl Rev-State	\$ 230,000	\$ 154,000	\$ 250,000
Charges for Services/Other	0	400	400
	\$ 230,000	\$ 154,400	\$ 250,400
Contingency			
Charges for Services/Other	\$ 79,361,100	\$ 0	\$ 79,361,100
	\$ 79,361,100	\$ 0	\$ 79,361,100
Donations			
Charges for Services/Other	50,000	108,000	55,000
	\$ 50,000	\$ 108,000	\$ 55,000
Grants			
Area Agency on Aging-Federal	\$ 0	\$ 48,400	\$ 0
County Grant Revenue	250,000	0	250,000
Federal Grant Revenue	24,289,100	8,037,600	21,249,000
Library	291,100	15,800	295,800
Charges for Services/Other	118,100	484,800	408,700
	\$ 24,948,300	\$ 8,586,600	\$ 22,203,500
Highway User Revenue			
Highway User Tax Revenue-State	\$ 11,819,000	\$ 12,026,300	\$ 12,674,500
Charges for Services/Other	9,800	414,800	422,700
	\$ 11,828,800	\$ 12,441,100	\$ 13,097,200
LTAF II/ALF			
State Shared Lottery Tax Rev	\$ 364,200	\$ 364,200	\$ 364,200
	\$ 364,200	\$ 364,200	\$ 364,200
Municipal Art Fund			
Charges for Services/Other	0	71,900	73,300
	\$ 0	\$ 71,900	\$ 73,300
Municipal Court Enhancement			
Charges for Services/Other	74,400	102,300	102,900
	\$ 74,400	\$ 102,300	\$ 102,900

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Surprise
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025*	Estimated revenues 2026
Municipal Court FARE			
Non-Grant Intergovtl Rev-State	\$ 2,000	\$ 2,000	\$ 2,000
Charges for Services/Other	0	1,200	1,200
	\$ 2,000	\$ 3,200	\$ 3,200
Municipal Court JCEF			
Charges for Services/Other	16,000	22,800	22,900
	\$ 16,000	\$ 22,800	\$ 22,900
Municipal Court MFTG			
Non-Grant Intergovtl Rev-State	\$ 9,400	\$ 9,400	\$ 9,400
Charges for Services/Other	0	3,500	3,600
	\$ 9,400	\$ 12,900	\$ 13,000
Neighborhood Revitalization			
Federal Grant Revenue	\$ 1,396,000	\$ 400,200	\$ 1,737,500
Grant Revenue-Program Income	538,500	39,300	241,900
	\$ 1,934,500	\$ 439,500	\$ 1,979,400
Net Premium Seating			
Charges for Services/Other	30,900	40,200	40,400
	\$ 30,900	\$ 40,200	\$ 40,400
SB1398 Fines			
Charges for Services/Other	18,200	21,100	22,000
	\$ 18,200	\$ 21,100	\$ 22,000
SLIDs			
Charges for Services/Other	7,600	31,100	8,300
Special Improvement District	0	0	0
	\$ 7,600	\$ 31,100	\$ 8,300
Smart & Safe Fire-Medical			
State Shared Smart & Safe Rev	\$ 400,000	\$ 400,000	\$ 400,000
	\$ 400,000	\$ 400,000	\$ 400,000
Smart & Safe Police			
State Shared Smart & Safe Rev	\$ 400,000	\$ 416,400	\$ 400,000
	\$ 400,000	\$ 416,400	\$ 400,000
SPD DEA			
Charges for Services/Other	\$ 0	\$ 900	\$ 900
	\$ 0	\$ 900	\$ 900
SPD RICO			
Charges for Services/Other	268,000	257,200	262,300
	\$ 268,000	\$ 257,200	\$ 262,300

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Surprise
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025*	Estimated revenues 2026
SPD Towing			
Charges for Services/Other	30,600	37,900	38,700
	\$ 30,600	\$ 37,900	\$ 38,700
Sponsorships			
Charges for Services/Other	0	37,800	240,000
	\$ 0	\$ 37,800	\$ 240,000
Sports and Tourism Fund			
Charges for Services/Other	3,019,900	3,177,100	3,244,200
	\$ 3,019,900	\$ 3,177,100	\$ 3,244,200
Spring Trng Ticket Surcharge			
Charges for Services/Other	695,000	717,100	717,700
	\$ 695,000	\$ 717,100	\$ 717,700
Stadium Improvements			
Charges for Services/Other	137,200	137,500	137,500
	\$ 137,200	\$ 137,500	\$ 137,500
Tourism			
Local Sales Tax	1,277,800	1,316,600	1,329,800
Charges for Services/Other	275,000	264,200	340,500
	\$ 1,552,800	\$ 1,580,800	\$ 1,670,300
Wildland Fire			
Non-Grant Intergovtl Rev-State	705,700	705,000	1,051,400
Charges for Services/Other	0	5,900	6,000
	\$ 705,700	\$ 710,900	\$ 1,057,400
Special Revenue Fund Total	\$ 126,084,600	\$ 29,872,900	\$ 125,765,800
Debt Service Fund			
GO Bond Debt Service			
Charges for Services/Other	0	107,100	109,200
	\$ 0	\$ 107,100	\$ 109,200
Debt Service Fund Total	\$ 0	\$ 107,100	\$ 109,200
Capital Projects Fund			
Communications Asset Repl			
Charges for Services/Other	0	23,900	24,400
	\$ 0	\$ 23,900	\$ 24,400

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Surprise
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025*	Estimated revenues 2026
Facilities Asset Replacement			
Charges for Services/Other	\$ 0	\$ 193,800	\$ 197,700
	\$ 0	\$ 193,800	\$ 197,700
Fire/EMS Dev Fee 2020			
Charges for Services/Other	2,547,400	5,200,000	5,782,100
	\$ 2,547,400	\$ 5,200,000	\$ 5,782,100
FS Package Replacement Reserve			
Charges for Services/Other	\$ 0	\$ 5,100	\$ 5,200
	\$ 0	\$ 5,100	\$ 5,200
General Capital Projects Fund			
Local Sales Tax	\$ 25,338,200	\$ 27,047,400	\$ 27,317,900
Charges for Services/Other	2,470,400	6,538,600	6,955,500
	\$ 27,808,600	\$ 33,586,000	\$ 34,273,400
General Govt Dev Fee			
Charges for Services/Other	645,500	985,300	698,000
	\$ 645,500	\$ 985,300	\$ 698,000
GO Bond Series 2024			
Charges for Services/Other	\$ 0	\$ 688,400	\$ 702,200
	\$ 0	\$ 688,400	\$ 702,200
HSCV Asset Replacement			
Charges for Services/Other	\$ 0	\$ 1,900	\$ 1,900
	\$ 0	\$ 1,900	\$ 1,900
IT Asset Replacement			
Charges for Services/Other	\$ 0	\$ 177,200	\$ 180,700
	\$ 0	\$ 177,200	\$ 180,700
Parks/Rec Dev Fee 2020			
Charges for Services/Other	3,341,000	5,491,600	5,485,600
	\$ 3,341,000	\$ 5,491,600	\$ 5,485,600
Police Dev Fee			
Charges for Services/Other	1,205,700	2,551,000	2,446,100
	\$ 1,205,700	\$ 2,551,000	\$ 2,446,100
Sports and Tourism Asset Repl			
Charges for Services/Other	\$ 0	\$ 74,200	\$ 75,700
	\$ 0	\$ 74,200	\$ 75,700

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Surprise
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025*	Estimated revenues 2026
Transportation Improvement			
Non-Grant Intergovtl Rev-Local	\$ 0	\$ 0	\$ 6,000,000
Local Sales Tax	16,019,600	17,922,300	18,101,500
Charges for Services/Other	612,900	1,692,100	2,597,100
	\$ 16,632,500	\$ 19,614,400	\$ 26,698,600
Vehicle Replacement			
Charges for Services/Other	\$ 0	\$ 228,000	\$ 232,600
	\$ 0	\$ 228,000	\$ 232,600
Capital Projects Fund Total	\$ 52,180,700	\$ 68,820,800	\$ 76,804,200
Enterprise Funds			
Sewer Operations			
Charges for Services/Other	26,694,400	25,922,600	27,980,900
Non-Grant Intergovtl Rev-Local	0	9,000	0
	\$ 26,694,400	\$ 25,931,600	\$ 27,980,900
Sewer System Dev Impact Fees			
Charges for Services/Other	3,463,400	3,263,100	3,585,000
	\$ 3,463,400	\$ 3,263,100	\$ 3,585,000
Sewer Utility Capital			
Charges for Services/Other	\$ 50,800	\$ 633,500	\$ 518,000
	\$ 50,800	\$ 633,500	\$ 518,000
Solid Waste Capital			
Charges for Services/Other	\$ 88,000	\$ 103,600	\$ 105,700
	\$ 88,000	\$ 103,600	\$ 105,700
Solid Waste Operations			
Charges for Services/Other	16,792,400	16,697,000	18,903,400
	\$ 16,792,400	\$ 16,697,000	\$ 18,903,400
Sr Util. Refund Oblig Ser 2018			
Charges for Services/Other	\$ 0	\$ 500	\$ 500
	\$ 0	\$ 500	\$ 500
Stormwater Capital			
Charges for Services/Other	\$ 3,100	\$ 127,400	\$ 129,900
	\$ 3,100	\$ 127,400	\$ 129,900
Stormwater Operations			
Charges for Services/Other	3,387,300	3,182,000	3,203,000
	\$ 3,387,300	\$ 3,182,000	\$ 3,203,000

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Surprise
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025*	Estimated revenues 2026
Water Operations			
Groundwater Savings Facility	\$ 130,000	\$ 31,800	\$ 50,200
Non-Grant Intergovtl Rev-Local	0	1,300	2,600
Charges for Services/Other	24,649,200	27,716,300	30,193,600
	\$ 24,779,200	\$ 27,749,400	\$ 30,246,400
Water Resource Dev Impact Fees			
Charges for Services/Other	\$ 0	\$ 41,600	\$ 42,400
	\$ 0	\$ 41,600	\$ 42,400
Water System Dev Impact Fees			
Charges for Services/Other	3,133,600	2,638,200	1,337,400
	\$ 3,133,600	\$ 2,638,200	\$ 1,337,400
Water Utility Capital			
Charges for Services/Other	\$ 40,000	\$ 764,300	\$ 538,200
	\$ 40,000	\$ 764,300	\$ 538,200
Wtr Res Dev Fee			
Charges for Services/Other	3,616,700	7,692,900	6,754,100
	\$ 3,616,700	\$ 7,692,900	\$ 6,754,100
Enterprise Funds Total	\$ 82,048,900	\$ 88,825,100	\$ 93,344,900
Internal Service Fund			
Employee Healthcare - Int Svc			
Charges for Services/Other	23,554,500	19,428,100	26,235,000
	\$ 23,554,500	\$ 19,428,100	\$ 26,235,000
Risk Management - Int Svc Fd			
Charges for Services/Other	4,753,300	5,021,600	1,513,700
	\$ 4,753,300	\$ 5,021,600	\$ 1,513,700
Workers' Compensation			
Charges for Services/Other	1,307,100	1,517,600	1,368,000
	\$ 1,307,100	\$ 1,517,600	\$ 1,368,000
Internal Service Fund Total	\$ 29,614,900	\$ 25,967,300	\$ 29,116,700
Total All Funds	\$ 507,841,500	\$ 440,146,700	\$ 560,893,300

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Surprise
Other financing sources/(uses) and interfund transfers
Fiscal Year 2026

Fund	Other financing 2026		Interfund Transfers 2026	
	Sources	(Uses)	In	(Out)
General Fund				
General Fund (Cost Allocation)	\$	\$	\$ 8,585,900	\$
General Fund (PILOT)			536,300	
General Fund (Franchise Fee In Lieu)			1,144,400	
General Fund (Debt)				(1,430,500)
General Fund (Other Transfers)				(28,170,100)
Total General Fund	\$	\$	\$ 10,266,600	\$ (29,600,600)
Special Revenue Fund				
Municipal Art Fund (Other Transfers)	\$	\$	\$ 232,300	\$
Net Premium Seating (Other Transfers)			109,600	
Public Safety Pension Fund (Other Transfers)			2,000,000	
Sports and Tourism Fund (Other Transfers)			4,108,700	
Tourism (Debt)				(997,400)
Total Special Revenue Fund	\$	\$	\$ 6,450,600	\$ (997,400)
Capital Projects Fund				
Communications Asset Repl (Other Transfers)	\$	\$	\$ 125,000	\$
Facilities Asset Replacement (Other Transfers)			5,159,800	
Fire Asset Replacement (Other Transfers)			563,700	
FS Package Repl Reserve (Other Transfers)			160,000	
General Capital Projects Fund (Other Transfers)			1,500,000	(687,900)
HSCV Asset Replacement (Other Transfers)			34,000	
IT Asset Replacement (Other Transfers)			983,300	
Library Asset Repl (Other Transfers)			153,300	
Parks & Recreation Asset Repl (Other Transfers)			2,011,000	
Police Asset Replacement (Other Transfers)			1,883,000	
Sports and Tourism Asset Repl (Other Transfers)			5,346,000	
Transportation Improvement (Other Transfers)				(98,800)
Vehicle Replacement (Other Transfers)			5,431,500	
Total Capital Projects Fund	\$	\$	\$ 23,350,600	\$ (786,700)
Debt Service Fund				
Stadium Gov Debt Service 2015 (Debt)	\$	\$	\$ 1,583,500	\$
Total Debt Service Fund	\$	\$	\$ 1,583,500	\$

City of Surprise
Other financing sources/(uses) and interfund transfers
Fiscal Year 2026

Fund	Other financing 2026		Interfund Transfers 2026	
	Sources	(Uses)	In	(Out)
Enterprise Funds				
Sewer Loan 2023 (Other Transfers)	\$	\$	\$ 2,208,900	\$
Sewer Loan 2023 (Bond Proceeds)	19,565,600			
Sewer Operations (Franchise Fee In Lieu)				(547,700)
Sewer Operations (Cost Allocation)				(1,935,300)
Sewer Operations (PILOT)				(331,900)
Sewer Operations (Other Transfers)				(9,094,300)
Sewer System Dev Impact Fees (Debt)				(2,149,300)
Sewer Utility Capital (Other Transfers)			6,885,400	
Solid Waste Capital (Other Transfers)			1,469,200	
Solid Waste Operations (PILOT)				(12,300)
Solid Waste Operations (Cost Allocation)				(2,912,700)
Solid Waste Operations (Other Transfers)				(1,469,200)
Sr Util. Refund Oblig Ser 2018 (Debt)			2,149,300	
Stormwater Capital (Other Transfers)			823,700	
Stormwater Operations (Cost Allocation)				(295,300)
Stormwater Operations (PILOT)				(16,100)
Stormwater Operations (Other Transfers)				(823,700)
Water Operations (PILOT)				(176,000)
Water Operations (Other Transfers)				(3,706,000)
Water Operations (Cost Allocation)				(3,442,600)
Water Operations (Franchise Fee In Lieu)				(596,700)
Water Utility Capital (Other Transfers)			3,706,000	
Total Enterprise Funds	\$ 19,565,600	\$	\$ 17,242,500	\$ (27,509,100)
Total All Funds	\$ 19,565,600	\$	\$ 58,893,800	\$ (58,893,800)

**City of Surprise
Expenditures/expenses by fund
Fiscal Year 2026**

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
General Fund				
General Fund				
City Attorney	\$ 3,457,400	\$	\$ 3,427,400	\$ 3,691,200
City Auditor	538,700		541,500	575,000
City Clerk	1,492,000		1,117,900	1,471,900
City Court	3,482,500		2,946,700	3,629,000
City Manager	2,504,300		2,277,600	2,601,900
Community Development	8,937,700	(27,300)	7,766,400	8,772,300
Contingency	6,162,700			6,625,000
Economic Development	2,438,700	(189,100)	2,054,100	2,928,100
Finance	7,495,700		6,909,200	7,975,600
Fire - Medical	48,764,800	46,200	46,715,300	54,699,200
General Operations	24,941,900		16,462,200	18,311,500
Human Resources	3,343,100		3,113,200	3,545,600
Human Svcs and Comm Vitality	3,153,100	(17,500)	2,642,900	3,537,200
Information Technology	11,120,900		9,587,600	12,500,900
Library	3,935,900	(10,500)	3,651,900	4,092,100
Marketing and Communications	1,707,500		1,702,500	1,959,200
Mayor and Council	963,800		580,800	756,500
Parks and Recreation	16,806,200	(29,100)	14,839,200	17,402,900
Police	49,284,800		48,893,400	56,221,300
Public Works	14,763,300	(329,700)	13,375,500	17,042,700
Sports and Tourism				1,252,800
Transportation	7,083,400	(24,600)	6,438,300	9,426,500
General Fund Total	\$ 222,378,400	\$ (581,600)	\$ 195,043,600	\$ 239,018,400
Special Revenue Fund				
Arizona Office of Tourism				
Sports and Tourism	\$ 230,000	\$	\$ 154,000	\$ 250,900
Contingency				
Contingency	\$ 79,361,100	\$ 2,294,500	\$	\$ 79,361,100
Donations				
Economic Development	\$ 31,200	\$	\$ 11,800	\$ 26,200
Fire - Medical	9,400			5,100
Human Svcs and Comm Vitality	32,200		5,300	47,400
Library	14,300		2,500	56,700
Parks and Recreation	12,800		500	13,100
Police	128,700		16,800	127,800
Sports and Tourism				6,400

City of Surprise
Expenditures/expenses by fund
Fiscal Year 2026

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Grants				
City Attorney	\$	\$ 4,700	\$	\$ 4,700
Fire - Medical	469,400	448,800	141,000	321,000
Human Svcs and Comm Vitality	23,702,100	24,700	2,649,200	21,017,800
Library		20,400	13,500	
Parks and Recreation	229,500	178,200		229,500
Police	366,400	1,088,400	286,100	420,500
Transportation		100,000		
Water Resource Management	183,100	305,400	57,600	403,300
Highway User Revenue				
Contingency	\$	\$ 3,051,000	\$	\$
General Operations	41,700		41,700	5,400
Public Works				442,000
Transportation	14,935,100	(3,051,000)	5,580,600	18,019,700
LTAF II/ALF				
Transportation	\$ 366,300	\$	\$ 364,200	\$ 364,200
Municipal Art Fund				
Contingency	\$ 1,148,300	\$ 12,800	\$	\$ 1,081,600
Library	1,604,500	(12,800)	422,300	
Sports and Tourism				1,675,400
Municipal Court Enhancement				
City Court	\$ 225,000	\$	\$ 107,000	\$ 188,000
Neighborhood Revitalization				
Human Svcs and Comm Vitality	\$ 1,934,500	\$ (16,400)	\$ 728,700	\$ 2,135,300
Net Premium Seating				
Sports and Tourism	\$ 286,000	\$	\$ 161,900	\$ 339,100
Program 1033 Auction Proceeds				
Police	\$ 6,700	\$	\$ 900	\$
SB1398 Fines				
Police	\$ 73,000	\$	\$ 11,000	\$ 102,400
SLIDs				
Contingency	\$	\$	\$	\$ 138,500
General Operations	2,737,900		2,608,600	2,704,100
Smart & Safe Fire-Medical				
Fire - Medical	\$ 959,100	\$	\$ 372,400	\$ 986,600
Smart & Safe Police				
Police	\$ 414,800	\$	\$ 414,800	\$ 399,900
SPD DEA				
Police	\$ 17,300	\$	\$	\$ 19,800

City of Surprise
Expenditures/expenses by fund
Fiscal Year 2026

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
SPD RICO				
Police	\$ 1,191,700	\$	\$ 277,800	\$ 1,294,200
SPD Towing				
General Operations	\$	\$	\$	\$ 300
Police	38,900		38,600	44,200
Sponsorships				
Economic Development	\$	\$	\$ 5,000	\$ 5,000
Human Svcs and Comm Vitality				54,300
Parks and Recreation				115,500
Sports and Tourism				98,000
Sports and Tourism Fund				
General Operations	\$ 23,300	\$	\$ 23,300	\$ 28,000
Sports and Tourism	6,981,500	(123,500)	6,657,900	8,299,700
Spring Trng Ticket Surcharge				
Sports and Tourism	\$ 695,500	\$	\$ 689,000	\$ 734,900
Tourism				
Sports and Tourism	\$ 730,000	\$	\$ 573,000	\$ 1,152,000
Unclaimed Property Disposal				
Police	\$ 4,000	\$	\$	\$ 3,900
Wildland Fire				
Fire - Medical	\$ 1,082,000	\$	\$ 640,200	\$ 1,110,000
General Operations	12,000		12,000	7,800
Special Revenue Fund Total	\$ 140,279,300	\$ 4,325,200	\$ 23,069,200	\$ 143,841,300
Debt Service Fund				
GO Bond Debt Service				
General Operations	\$ 7,688,700	\$	\$ 7,676,100	\$ 6,739,000
Stadium Gov Debt Service 2015				
General Operations	\$ 1,587,600	\$	\$ 1,586,000	\$ 1,583,500
Debt Service Fund Total	\$ 9,276,300	\$	\$ 9,262,100	\$ 8,322,500
Capital Projects Fund				
Arts Culture Library Asset Rep				
Library	\$ 105,000	\$	\$	\$ 258,300
Communications Asset Repl				
Marketing and Communications	\$ 330,800	\$ (31,700)	\$ 19,400	\$ 404,700
Facilities Asset Replacement				
Public Works	\$ 9,381,900	\$ (1,581,100)	\$ 4,655,300	\$ 8,305,300

City of Surprise
Expenditures/expenses by fund
Fiscal Year 2026

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Fire Asset Replacement				
Fire - Medical	\$	\$	\$	\$ 563,700
Fire/EMS Dev Fee 2020				
Fire - Medical	\$ 15,051,500	\$ (4,759,700)	\$ 6,784,700	\$ 6,157,100
General Operations	1,300	4,759,700	1,000	6,000,300
FS Package Replacement Reserve				
Fire - Medical	\$ 95,100	\$	\$	\$ 255,100
General Capital Projects Fund				
City Court	\$ 135,000	\$	\$ 76,300	\$ 148,700
City Manager	12,807,300	(90,700)	519,000	14,197,600
Community Development	558,900	(47,300)	29,000	282,600
Contingency	10,868,300	15,489,400		11,000,000
Economic Development	1,098,000	(11,900)	187,000	2,048,600
Finance	800,000		36,500	1,463,500
Fire - Medical	13,934,700	(8,700)	5,040,000	10,694,300
Human Svcs and Comm Vitality	3,351,600	(4,300)	500	3,346,800
Information Technology	9,700,700	(88,900)	311,000	9,490,400
Library	65,400		4,700	60,700
Parks and Recreation	31,226,500	(7,427,000)	15,903,600	7,860,500
Police	8,489,600	(502,900)	830,600	7,055,200
Public Works	2,937,600	(2,358,000)	158,400	403,500
Sports and Tourism	3,314,100			13,898,100
Transportation	61,745,000	(1,676,500)	17,909,300	45,399,700
Water Resource Management	143,200	(3,700)	15,900	202,000
GO Bond Series 2024				
Fire - Medical	\$ 4,966,400	\$	\$ 3,443,400	\$ 1,523,000
Police	15,200,000			15,200,000
Transportation	31,400,000		625,300	39,774,700
HSCV Asset Replacement				
Human Svcs and Comm Vitality	\$ 46,300	\$ (7,000)	\$ 6,600	\$ 66,700
IT Asset Replacement				
Information Technology	\$ 3,974,300	\$ (134,200)	\$ 1,624,000	\$ 3,199,400
Parks & Recreation Asset Repl				
Parks and Recreation	\$ 3,691,300	\$ (862,100)	\$ 1,182,700	\$ 3,657,500
Parks/Rec Dev Fee 2020				
General Operations	\$ 3,558,800	\$ 661,200	\$ 208,900	\$ 8,175,300
Parks and Recreation	9,463,100	(661,200)	4,685,800	6,616,100
Police Asset Replacement				
Police	\$	\$	\$	\$ 1,869,300

City of Surprise
Expenditures/expenses by fund
Fiscal Year 2026

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Police Dev Fee				
General Operations	\$ 1,300	\$ 187,200	\$ 1,000	\$ 4,000,300
Police	7,992,300	(187,200)	115,200	7,689,900
Public Works	82,600		32,200	50,400
Sports and Tourism Asset Repl				
Sports and Tourism	\$ 4,997,700	\$ (715,000)	\$ 1,843,900	\$ 7,784,800
Transportation Improvement				
Contingency	\$ 500,000	\$ 5,786,800		\$ 500,000
Finance	2,300			
General Operations	134,900		134,900	
Public Works	225,000		188,000	893,000
Transportation	50,888,900	(5,786,800)	17,507,300	39,204,100
Vehicle Replacement				
Contingency	\$	\$ 674,500	\$	\$
Fire - Medical	4,943,200	(2,000)	413,200	7,008,000
Public Works	7,506,800	(672,500)	2,721,700	7,064,100
Capital Projects Fund Total	\$ 335,716,700	\$ (61,600)	\$ 87,216,300	\$ 303,773,300
Enterprise Funds				
Sewer Loan 2023				
General Operations	\$	\$	\$ 920,000	\$ 882,800
Water Resource Management	31,686,300	(3,759,400)	10,004,800	17,922,100
Sewer Operations				
Contingency	\$ 5,638,700	\$ 102,600	\$	\$ 5,320,000
Finance	2,177,600	(94,600)	1,259,100	1,384,900
General Operations	1,337,400		1,337,400	381,100
Information Technology	47,800		49,100	101,600
Marketing and Communications	42,200		42,100	44,800
Public Works	775,000		439,400	894,300
Water Resource Management	13,849,000	(8,000)	12,082,000	13,571,600
Sewer System Dev Impact Fees				
General Operations	\$ 2,657,000	\$	\$ 4,500	\$ 5,051,000
Water Resource Management	300,000			300,000
Sewer Utility Capital				
City Manager	\$ 9,300	\$ (9,300)	\$	\$
Contingency	7,185,000	2,187,500		7,876,200
Information Technology				41,300
Public Works	1,986,100	(612,000)	382,600	1,251,500
Transportation	957,200		866,900	90,300
Water Resource Management	16,080,500	(1,566,200)	2,563,500	19,950,000

City of Surprise
Expenditures/expenses by fund
Fiscal Year 2026

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Solid Waste Capital				
Contingency	\$ 278,800	\$	\$	\$ 278,800
Public Works	4,573,300		4,024,100	3,088,300
Solid Waste Operations				
City Manager	\$ 400	\$	\$	\$ 400
Contingency	4,117,900	45,200		4,382,900
Finance	922,900	(39,700)	512,500	584,200
General Operations	177,300		177,300	41,400
Information Technology	20,000		20,500	22,600
Public Works	12,269,200	(5,500)	10,353,700	13,457,300
Sr Util. Refund Oblig Ser 2018				
General Operations	\$ 2,150,300	\$	\$ 2,149,100	\$ 2,149,300
Stormwater Capital				
Contingency	\$ 286,200	\$ 7,700	\$	\$ 378,900
Information Technology	75,000			75,000
Transportation	907,700	(7,700)	8,000	892,000
Water Resource Management	1,030,000			2,090,900
Stormwater Operations				
Contingency	\$ 443,400	\$ 16,500	\$	\$ 483,600
Finance	233,700	(9,400)	118,600	213,900
General Operations	11,100		11,100	7,600
Information Technology	4,800		4,800	52,800
Public Works				81,900
Transportation	531,400		434,100	536,400
Water Resource Management	910,100	(7,100)	643,400	1,133,900
Water Operations				
City Manager	\$ 4,000	\$	\$	\$ 4,000
Contingency	5,355,000	86,200		6,555,100
Finance	3,802,700	(78,300)	2,939,900	3,377,900
General Operations	384,400		384,400	47,500
Information Technology	39,400		40,800	92,300
Marketing and Communications	42,200		42,100	44,800
Public Works	1,107,200		775,500	1,533,200
Water Resource Management	12,059,500	(7,900)	11,587,900	16,015,100
Water Resource Dev Impact Fees				
General Operations	\$	\$	\$	\$ 96,000
Water Resource Management	1,153,400		552,100	601,300
Water System Dev Impact Fees				
General Operations	\$ 10,894,900	\$ 55,300	\$ 428,600	\$ 4,272,700
Water Resource Management	6,066,500	(55,300)	584,600	9,752,200

City of Surprise
Expenditures/expenses by fund
Fiscal Year 2026

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Water Utility Capital				
City Manager	\$ 10,200	\$ (10,200)	\$	\$
Contingency	4,688,600	1,816,100		5,073,800
Finance	250,000		249,900	
Information Technology				41,300
Public Works	438,800		163,600	485,200
Water Resource Management	11,080,900	(1,728,500)	1,743,800	10,765,200
Wtr Res Dev Fee				
General Operations	\$ 1,300	\$	\$ 1,000	\$ 5,832,800
Water Resource Management	24,956,200			21,342,100
Enterprise Funds Total	\$ 196,007,800	\$ (3,682,000)	\$ 67,902,800	\$ 190,948,100
Internal Service Fund				
Employee Healthcare - Int Svc				
Contingency	\$ 6,626,200	\$	\$	\$ 5,880,800
Human Resources	23,554,500		19,428,100	26,866,500
Risk Management - Int Svc Fd				
Contingency	\$ 750,000	\$	\$	\$ 750,000
Human Resources	12,845,100		3,696,700	11,658,100
Workers' Compensation				
Contingency	\$ 3,381,700	\$ (381,700)	\$	\$ 2,000,000
Human Resources	1,316,000	381,700	1,399,000	3,106,300
Internal Service Fund Total	\$ 48,473,500	\$	\$ 24,523,800	\$ 50,261,700
Total All Funds	\$ 952,132,000	\$	\$ 407,017,800	\$ 936,165,300

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Surprise
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
City Attorney				
General Fund	\$ 3,457,400	\$	\$ 3,427,400	\$ 3,691,200
Grants		4,700		4,700
Department Total	\$ 3,457,400	\$ 4,700	\$ 3,427,400	\$ 3,695,900
City Auditor				
General Fund	\$ 538,700	\$	\$ 541,500	\$ 575,000
Department Total	\$ 538,700	\$	\$ 541,500	\$ 575,000
City Clerk				
General Fund	\$ 1,492,000	\$	\$ 1,117,900	\$ 1,471,900
Department Total	\$ 1,492,000	\$	\$ 1,117,900	\$ 1,471,900
City Court				
General Capital Projects Fund	\$ 135,000	\$	\$ 76,300	\$ 148,700
General Fund	3,482,500		2,946,700	3,629,000
Municipal Court Enhancement	225,000		107,000	188,000
Department Total	\$ 3,842,500	\$	\$ 3,130,000	\$ 3,965,700
City Manager				
General Capital Projects Fund	\$ 12,807,300	\$ (90,700)	\$ 519,000	\$ 14,197,600
General Fund	2,504,300		2,277,600	2,601,900
Sewer Utility Capital	9,300	(9,300)		
Solid Waste Operations	400			400
Water Operations	4,000			4,000
Water Utility Capital	10,200	(10,200)		
Department Total	\$ 15,335,500	\$ (110,200)	\$ 2,796,600	\$ 16,803,900
Community Development				
General Capital Projects Fund	\$ 558,900	\$ (47,300)	\$ 29,000	\$ 282,600
General Fund	8,937,700	(27,300)	7,766,400	8,772,300
Department Total	\$ 9,496,600	\$ (74,600)	\$ 7,795,400	\$ 9,054,900

City of Surprise
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Contingency				
Contingency	\$ 79,361,100	\$ 2,294,500	\$	\$ 79,361,100
Employee Healthcare - Int Svc	6,626,200			5,880,800
General Capital Projects Fund	10,868,300	15,489,400		11,000,000
General Fund	6,162,700			6,625,000
Highway User Revenue		3,051,000		
Municipal Art Fund	1,148,300	12,800		1,081,600
Risk Management - Int Svc Fd	750,000			750,000
Sewer Operations	5,638,700	102,600		5,320,000
Sewer Utility Capital	7,185,000	2,187,500		7,876,200
SLIDs				138,500
Solid Waste Capital	278,800			278,800
Solid Waste Operations	4,117,900	45,200		4,382,900
Stormwater Capital	286,200	7,700		378,900
Stormwater Operations	443,400	16,500		483,600
Transportation Improvement	500,000	5,786,800		500,000
Vehicle Replacement		674,500		
Water Operations	5,355,000	86,200		6,555,100
Water Utility Capital	4,688,600	1,816,100		5,073,800
Workers' Compensation	3,381,700	(381,700)		2,000,000
Department Total	\$ 136,791,900	\$ 31,189,100	\$	\$ 137,686,300
Economic Development				
Donations	\$ 31,200	\$	\$ 11,800	\$ 26,200
General Capital Projects Fund	1,098,000	(11,900)	187,000	2,048,600
General Fund	2,438,700	(189,100)	2,054,100	2,928,100
Sponsorships			5,000	5,000
Department Total	\$ 3,567,900	\$ (201,000)	\$ 2,257,900	\$ 5,007,900
Finance				
General Capital Projects Fund	\$ 800,000	\$	\$ 36,500	\$ 1,463,500
General Fund	7,495,700		6,909,200	7,975,600
Sewer Operations	2,177,600	(94,600)	1,259,100	1,384,900
Solid Waste Operations	922,900	(39,700)	512,500	584,200
Stormwater Operations	233,700	(9,400)	118,600	213,900
Transportation Improvement	2,300			
Water Operations	3,802,700	(78,300)	2,939,900	3,377,900
Water Utility Capital	250,000		249,900	
Department Total	\$ 15,684,900	\$ (222,000)	\$ 12,025,700	\$ 15,000,000

City of Surprise
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Fire - Medical				
Donations	\$ 9,400	\$	\$	\$ 5,100
Fire Asset Replacement				563,700
Fire/EMS Dev Fee 2020	15,051,500	(4,759,700)	6,784,700	6,157,100
FS Package Replacement	95,100			255,100
General Capital Projects Fund	13,934,700	(8,700)	5,040,000	10,694,300
General Fund	48,764,800	46,200	46,715,300	54,699,200
GO Bond Series 2024	4,966,400		3,443,400	1,523,000
Grants	469,400	448,800	141,000	321,000
Smart & Safe Fire-Medical	959,100		372,400	986,600
Vehicle Replacement	4,943,200	(2,000)	413,200	7,008,000
Wildland Fire	1,082,000		640,200	1,110,000
Department Total	\$ 90,275,600	\$ (4,275,400)	\$ 63,550,200	\$ 83,323,100
General Operations				
Fire/EMS Dev Fee 2020	\$ 1,300	\$ 4,759,700	\$ 1,000	\$ 6,000,300
General Fund	24,941,900		16,462,200	18,311,500
GO Bond Debt Service	7,688,700		7,676,100	6,739,000
Highway User Revenue	41,700		41,700	5,400
Parks/Rec Dev Fee 2020	3,558,800	661,200	208,900	8,175,300
Police Dev Fee	1,300	187,200	1,000	4,000,300
Sewer Loan 2023			920,000	882,800
Sewer Operations	1,337,400		1,337,400	381,100
Sewer System Dev Impact Fees	2,657,000		4,500	5,051,000
SLIDs	2,737,900		2,608,600	2,704,100
Solid Waste Operations	177,300		177,300	41,400
SPD Towing				300
Sports and Tourism Fund	23,300		23,300	28,000
Sr Util. Refund Oblig Ser 2018	2,150,300		2,149,100	2,149,300
Stadium Gov Debt Service 2015	1,587,600		1,586,000	1,583,500
Stormwater Operations	11,100		11,100	7,600
Transportation Improvement	134,900		134,900	
Water Operations	384,400		384,400	47,500
Water Resource Dev Impact Fees				96,000
Water System Dev Impact Fees	10,894,900	55,300	428,600	4,272,700
Wildland Fire	12,000		12,000	7,800
Wtr Res Dev Fee	1,300		1,000	5,832,800
Department Total	\$ 58,343,100	\$ 5,663,400	\$ 34,169,100	\$ 66,317,700

City of Surprise
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Human Resources				
Employee Healthcare - Int Svc	\$ 23,554,500	\$	\$ 19,428,100	\$ 26,866,500
General Fund	3,343,100		3,113,200	3,545,600
Risk Management - Int Svc Fd	12,845,100		3,696,700	11,658,100
Workers' Compensation	1,316,000	381,700	1,399,000	3,106,300
Department Total	\$ 41,058,700	\$ 381,700	\$ 27,637,000	\$ 45,176,500
Human Svcs and Comm Vitality				
Donations	\$ 32,200	\$	\$ 5,300	\$ 47,400
General Capital Projects Fund	3,351,600	(4,300)	500	3,346,800
General Fund	3,153,100	(17,500)	2,642,900	3,537,200
Grants	23,702,100	24,700	2,649,200	21,017,800
HSCV Asset Replacement	46,300	(7,000)	6,600	66,700
Neighborhood Revitalization	1,934,500	(16,400)	728,700	2,135,300
Sponsorships				54,300
Department Total	\$ 32,219,800	\$ (20,500)	\$ 6,033,200	\$ 30,205,500
Information Technology				
General Capital Projects Fund	\$ 9,700,700	\$ (88,900)	\$ 311,000	\$ 9,490,400
General Fund	11,120,900		9,587,600	12,500,900
IT Asset Replacement	3,974,300	(134,200)	1,624,000	3,199,400
Sewer Operations	47,800		49,100	101,600
Sewer Utility Capital				41,300
Solid Waste Operations	20,000		20,500	22,600
Stormwater Capital	75,000			75,000
Stormwater Operations	4,800		4,800	52,800
Water Operations	39,400		40,800	92,300
Water Utility Capital				41,300
Department Total	\$ 24,982,900	\$ (223,100)	\$ 11,637,800	\$ 25,617,600
Library				
Donations	\$ 14,300	\$	\$ 2,500	\$ 56,700
General Capital Projects Fund	65,400		4,700	60,700
General Fund	3,935,900	(10,500)	3,651,900	4,092,100
Grants		20,400	13,500	
Library Asset Repl	105,000			258,300
Municipal Art Fund	1,604,500	(12,800)	422,300	
Department Total	\$ 5,725,100	\$ (2,900)	\$ 4,094,900	\$ 4,467,800

City of Surprise
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Marketing and Communications				
Communications Asset Repl	\$ 330,800	\$ (31,700)	\$ 19,400	\$ 404,700
General Fund	1,707,500		1,702,500	1,959,200
Sewer Operations	42,200		42,100	44,800
Water Operations	42,200		42,100	44,800
Department Total	\$ 2,122,700	\$ (31,700)	\$ 1,806,100	\$ 2,453,500
Mayor and Council				
General Fund	\$ 963,800	\$	\$ 580,800	\$ 756,500
Department Total	\$ 963,800	\$	\$ 580,800	\$ 756,500
Parks and Recreation				
Donations	\$ 12,800	\$	\$ 500	\$ 13,100
General Capital Projects Fund	31,226,500	(7,427,000)	15,903,600	7,860,500
General Fund	16,806,200	(29,100)	14,839,200	17,402,900
Grants	229,500	178,200		229,500
Parks & Recreation Asset Repl	3,691,300	(862,100)	1,182,700	3,657,500
Parks/Rec Dev Fee 2020	9,463,100	(661,200)	4,685,800	6,616,100
Sponsorships				115,500
Department Total	\$ 61,429,400	\$ (8,801,200)	\$ 36,611,800	\$ 35,895,100
Police				
Donations	\$ 128,700	\$	\$ 16,800	\$ 127,800
General Capital Projects Fund	8,489,600	(502,900)	830,600	7,055,200
General Fund	49,284,800		48,893,400	56,221,300
GO Bond Series 2024	15,200,000			15,200,000
Grants	366,400	1,088,400	286,100	420,500
Police Asset Replacement				1,869,300
Police Dev Fee	7,992,300	(187,200)	115,200	7,689,900
Program 1033 Auction Proceeds	6,700		900	
SB1398 Fines	73,000		11,000	102,400
Smart & Safe Police	414,800		414,800	399,900
SPD DEA	17,300			19,800
SPD RICO	1,191,700		277,800	1,294,200
SPD Towing	38,900		38,600	44,200
Unclaimed Property Disposal	4,000			3,900
Department Total	\$ 83,208,200	\$ 398,300	\$ 50,885,200	\$ 90,448,400

City of Surprise
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Public Works				
Facilities Asset Replacement	\$ 9,381,900	\$ (1,581,100)	\$ 4,655,300	\$ 8,305,300
General Capital Projects Fund	2,937,600	(2,358,000)	158,400	403,500
General Fund	14,763,300	(329,700)	13,375,500	17,042,700
Highway User Revenue				442,000
Police Dev Fee	82,600		32,200	50,400
Sewer Operations	775,000		439,400	894,300
Sewer Utility Capital	1,986,100	(612,000)	382,600	1,251,500
Solid Waste Capital	4,573,300		4,024,100	3,088,300
Solid Waste Operations	12,269,200	(5,500)	10,353,700	13,457,300
Stormwater Operations				81,900
Transportation Improvement	225,000		188,000	893,000
Vehicle Replacement	7,506,800	(672,500)	2,721,700	7,064,100
Water Operations	1,107,200		775,500	1,533,200
Water Utility Capital	438,800		163,600	485,200
Department Total	\$ 56,046,800	\$ (5,558,800)	\$ 37,270,000	\$ 54,992,700
Sports and Tourism				
Arizona Office of Tourism	\$ 230,000	\$	\$ 154,000	\$ 250,900
Donations				6,400
General Capital Projects Fund	3,314,100			13,898,100
General Fund				1,252,800
Municipal Art Fund				1,675,400
Net Premium Seating	286,000		161,900	339,100
Sponsorships				98,000
Sports and Tourism Asset Repl	4,997,700	(715,000)	1,843,900	7,784,800
Sports and Tourism Fund	6,981,500	(123,500)	6,657,900	8,299,700
Spring Trng Ticket Surcharge	695,500		689,000	734,900
Tourism	730,000		573,000	1,152,000
Department Total	\$ 17,234,800	\$ (838,500)	\$ 10,079,700	\$ 35,492,100

City of Surprise
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025*	Budgeted expenditures/ expenses 2026
Transportation				
General Capital Projects Fund	\$ 61,745,000	\$ (1,676,500)	\$ 17,909,300	\$ 45,399,700
General Fund	7,083,400	(24,600)	6,438,300	9,426,500
GO Bond Series 2024	31,400,000		625,300	39,774,700
Grants		100,000		
Highway User Revenue	14,935,100	(3,051,000)	5,580,600	18,019,700
LTAF II/ALF	366,300		364,200	364,200
Sewer Utility Capital	957,200		866,900	90,300
Stormwater Capital	907,700	(7,700)	8,000	892,000
Stormwater Operations	531,400		434,100	536,400
Transportation Improvement	50,888,900	(5,786,800)	17,507,300	39,204,100
Department Total	\$ 168,815,000	\$ (10,446,600)	\$ 49,734,000	\$ 153,707,600
Water Resource Management				
General Capital Projects Fund	\$ 143,200	\$ (3,700)	\$ 15,900	\$ 202,000
Grants	183,100	305,400	57,600	403,300
Sewer Loan 2023	31,686,300	(3,759,400)	10,004,800	17,922,100
Sewer Operations	13,849,000	(8,000)	12,082,000	13,571,600
Sewer System Dev Impact Fees	300,000			300,000
Sewer Utility Capital	16,080,500	(1,566,200)	2,563,500	19,950,000
Stormwater Capital	1,030,000			2,090,900
Stormwater Operations	910,100	(7,100)	643,400	1,133,900
Water Operations	12,059,500	(7,900)	11,587,900	16,015,100
Water Resource Dev Impact Fees	1,153,400		552,100	601,300
Water System Dev Impact Fees	6,066,500	(55,300)	584,600	9,752,200
Water Utility Capital	11,080,900	(1,728,500)	1,743,800	10,765,200
Wtr Res Dev Fee	24,956,200			21,342,100
Department Total	\$ 119,498,700	\$ (6,830,700)	\$ 39,835,600	\$ 114,049,700
Total All Departments	\$ 952,132,000	\$	\$ 407,017,800	\$ 936,165,300

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Surprise
Full-time employees and personnel compensation
Fiscal Year 2026

Fund	Full-time equivalent (FTE) 2026	Employee salaries and hourly costs 2026	Retirement costs 2026	Healthcare costs 2026	Other benefit costs 2026	Total estimated personnel compensation 2026
General Fund						
General Fund	1113.60	\$ 114,343,500	\$ 27,233,900	\$ 18,218,300	\$ 8,266,000	\$ 168,061,700
Total General Fund	1113.60	\$ 114,343,500	\$ 27,233,900	\$ 18,218,300	\$ 8,266,000	= \$ 168,061,700
Special Revenue Fund						
Grants		\$ 810,300	\$	\$	\$	\$ 810,300
Highway User Revenue	12.00	977,700	129,200	279,200	111,600	1,497,700
Neighborhood Revitalization		383,200				383,200
Smart & Safe Fire-Medical		284,400	105,400		10,100	399,900
Smart & Safe Police		271,800	101,400		26,700	399,900
SPD Towing	0.50	28,400	4,600	5,100	2,300	40,400
Sports and Tourism Fund	43.70	2,807,000	303,500	513,000	241,400	3,864,900
Wildland Fire		709,800	263,000		25,200	998,000
Total Special Revenue Fund	56.20	\$ 6,272,600	\$ 907,100	\$ 797,300	\$ 417,300	= \$ 8,394,300
Enterprise Funds						
Sewer Operations	60.40	\$ 5,135,400	\$ 671,300	\$ 1,072,400	\$ 458,700	\$ 7,337,800
Solid Waste Operations	52.90	3,866,200	510,600	1,032,600	394,700	5,804,100
Stormwater Operations	11.40	925,700	123,100	191,500	84,300	1,324,600
Water Operations	58.30	5,105,400	673,900	1,125,800	445,500	7,350,600
Total Enterprise Funds	183.00	\$ 15,032,700	\$ 1,978,900	\$ 3,422,300	\$ 1,383,200	= \$ 21,817,100
Internal Service Fund						
Employee Healthcare - Int	1.00	\$ 157,100	\$ 20,600	\$ 24,400	\$ 12,300	\$ 214,400
Risk Management - Int Svc	3.00	310,800	40,800	49,800	24,400	425,800
Workers' Compensation	1.00	98,300	12,900	24,100	7,700	143,000
Total Internal Service Fund	5.00	\$ 566,200	\$ 74,300	\$ 98,300	\$ 44,400	= \$ 783,200
Total All Funds	1357.80	\$ 136,215,000	\$ 30,194,200	\$ 22,536,200	\$ 10,110,900	= \$ 199,056,300

FY2026 Tentative Budget



SURPRISE

ARIZONA
Page 207 of 311

FY2026 Budget Process

- October 2024 – Budget Kickoff with City Staff
- January 2025 – City Management/Directors Review Requests
- January 2025 – Budget Kickoff with City Council
- May 2025 – Tentative Budget Adoption
- June 3, 2025 – Public Hearing for Property Taxes, SLIDS, & Final Budget Adoption
- June 17, 2025 – Property Tax & SLIDs Levy Adoption

FY2026 Tentative Budget Summary

• Focus on City Council strategic priorities

- Public Safety
- Transportation
- Community Experience
- Fiscal Responsibility
- Economic Development
- Government Transparency
- Water

Revenue

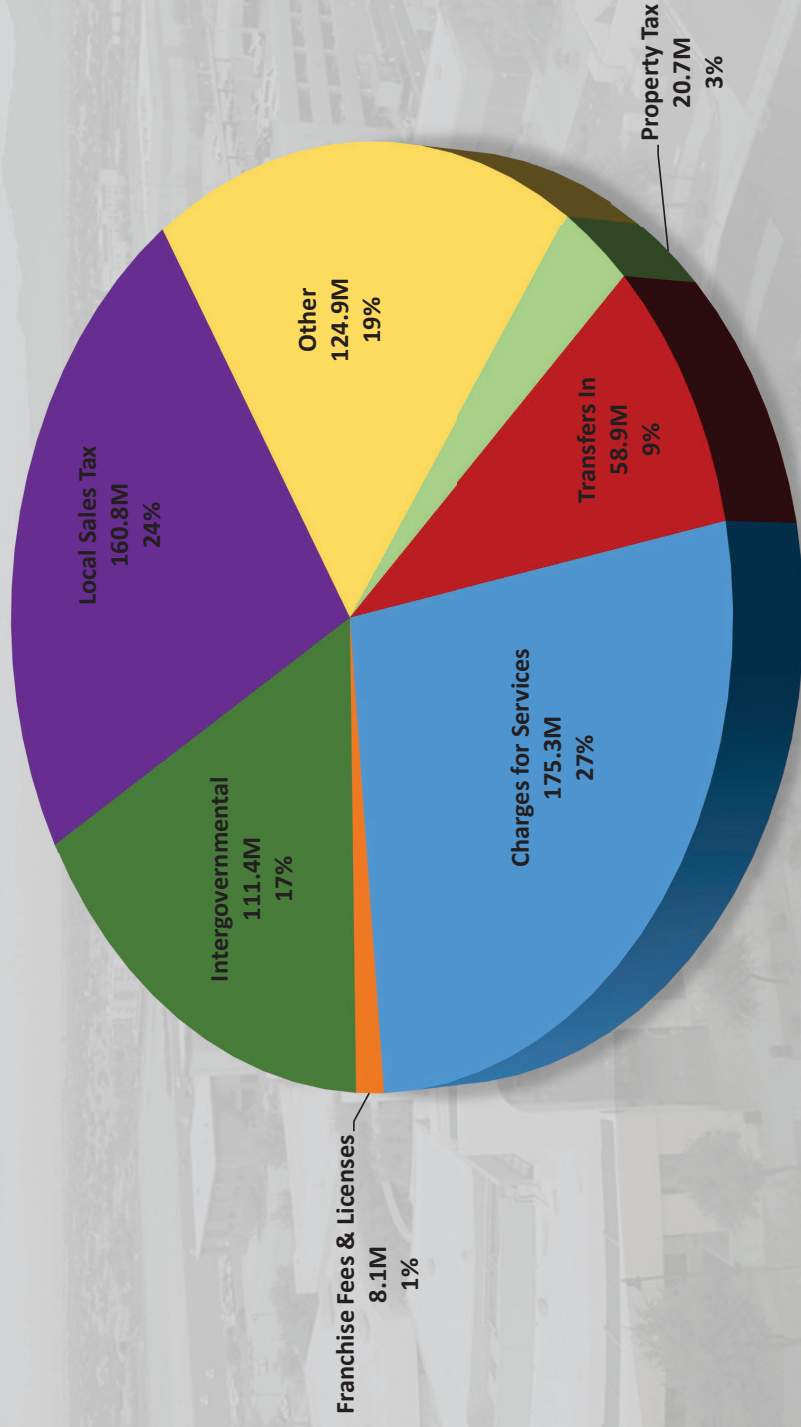


SURPRISE

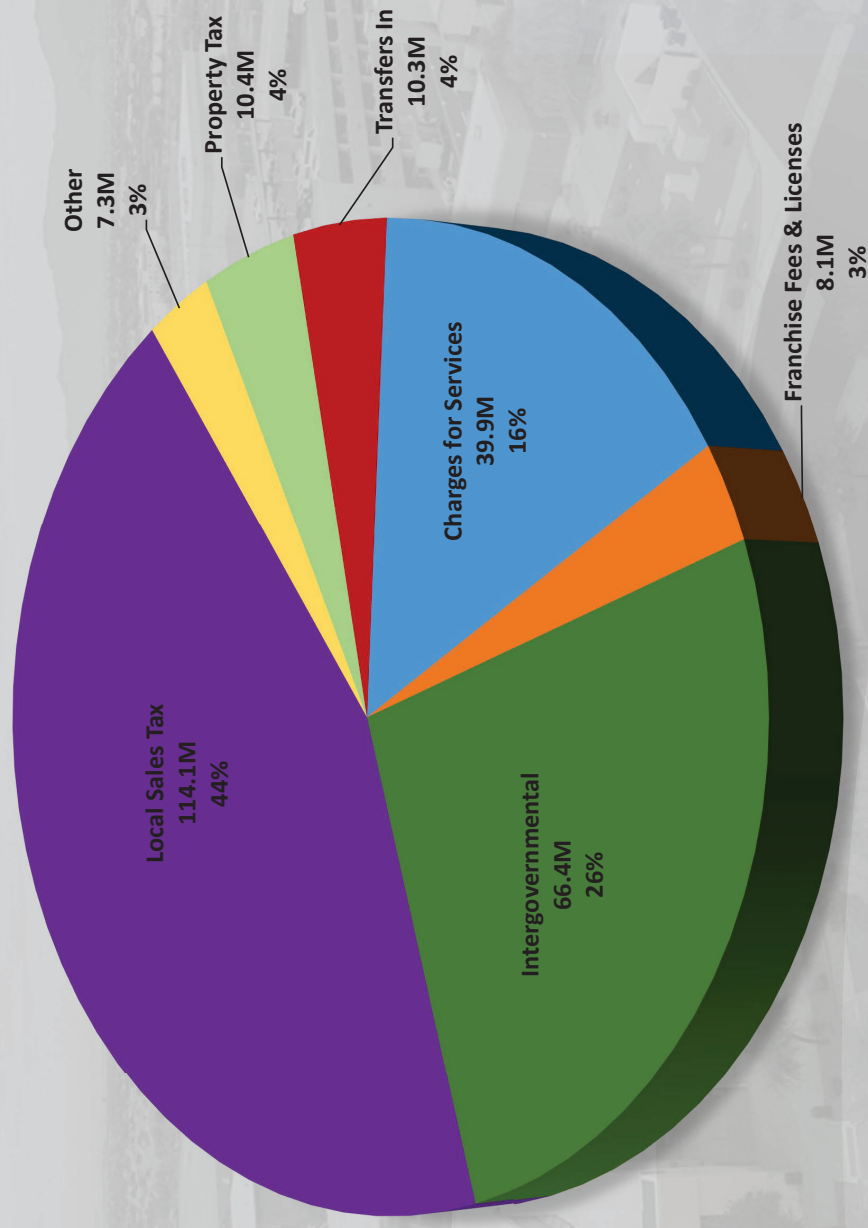
ARIZONA

Page 210 of 311

FY26 Citywide Revenues



FY26 General Fund Revenues



Local Sales Tax Break Down



Primary Property Tax Breakdown



Expense



SURPRISE
ARIZONA

FY2026 Citywide Budget

\$995.06M in Uses

Capital	Operating	Contingency	Debt
\$393.6M	\$393.5M	\$137.7M	\$11.4M

► Operating By Fund Type:

General Fund	Enterprise Funds	Capital	Transfers Out	Special Revenue	Internal Services
\$232.4M	\$71.8M	\$23.3M	\$58.9M	\$24.4M	\$41.6M

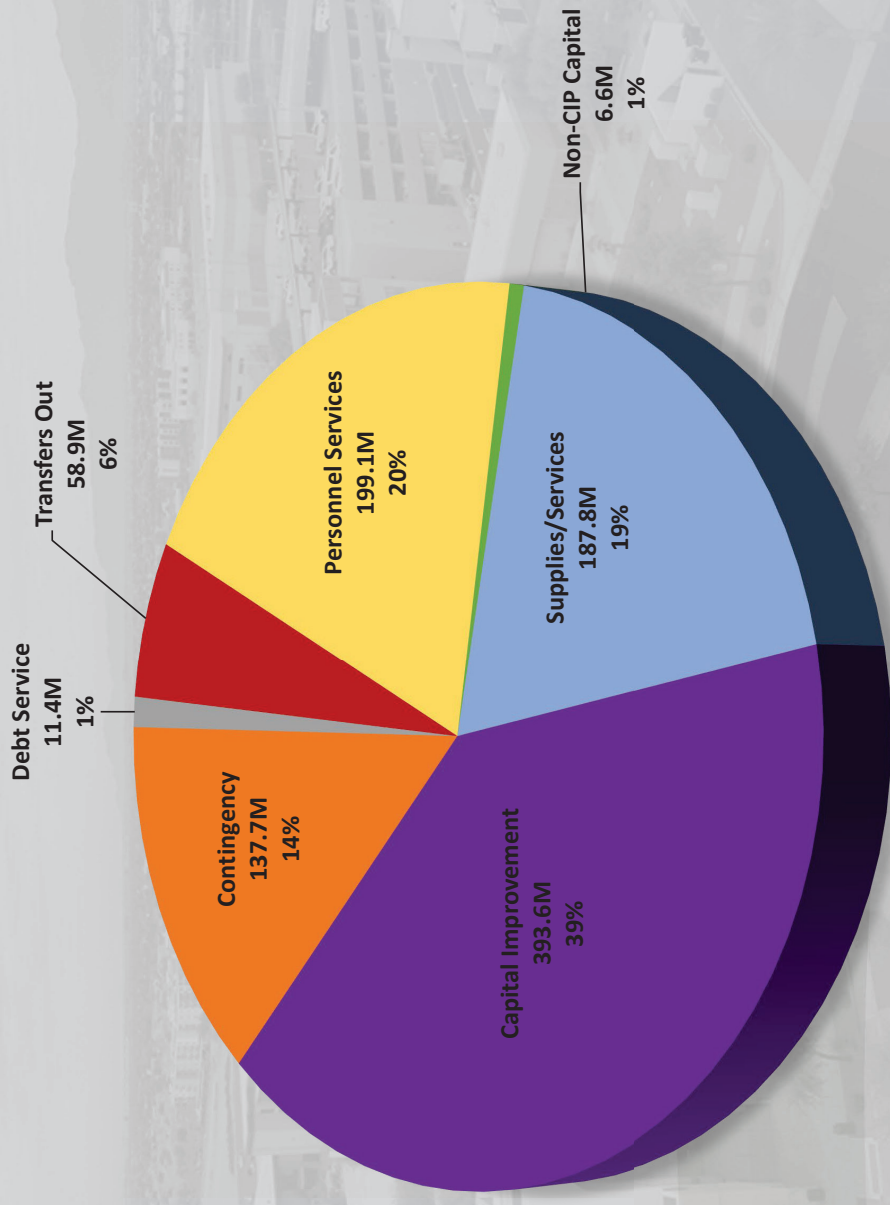
► Operating By Category:

Services	Personnel	Supplies	Transfers Out	Non-CLP Capital
\$165.6M	\$199.1M	\$22.2M	\$58.9M	\$6.6M

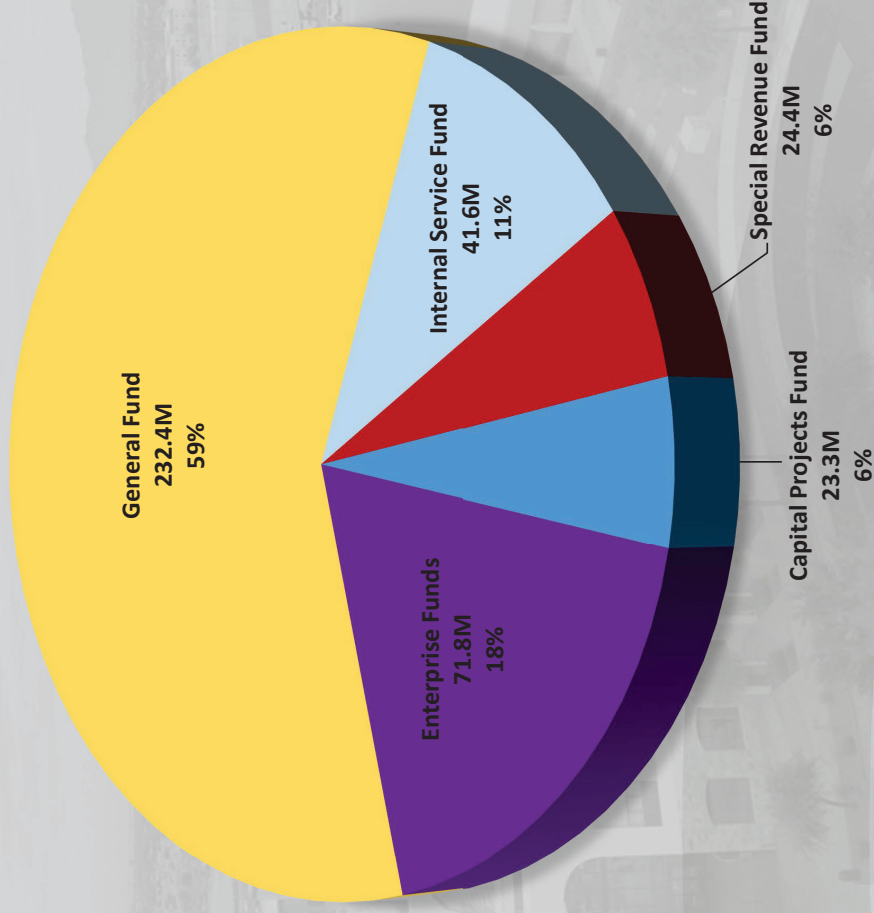
► Operating By Department:

Department Budget	Transfers Out
\$393.5M	\$58.9M

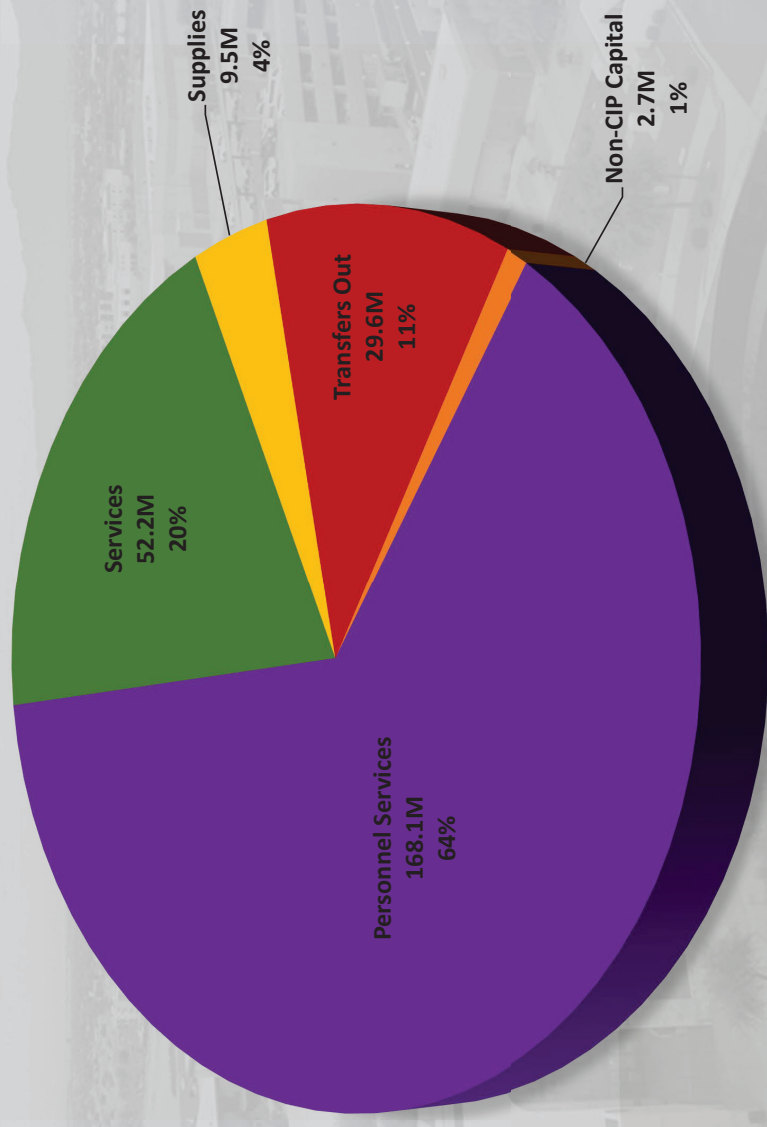
FY26 Citywide Expenses by Category



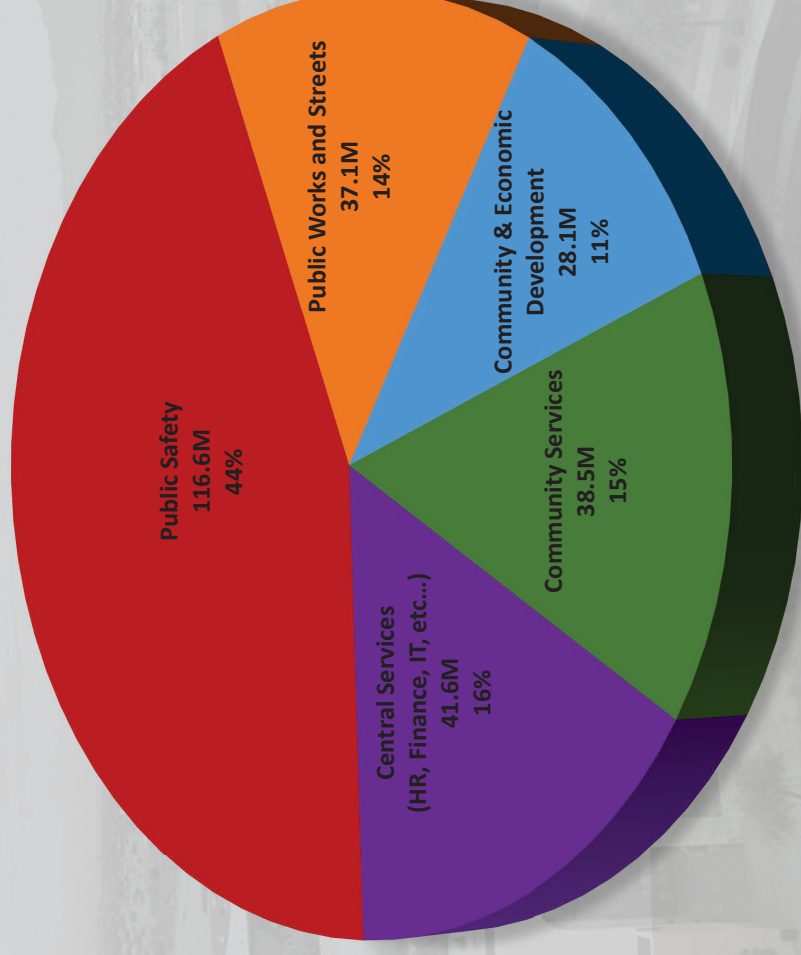
FY26 Citywide Operating Expenses by Fund Type



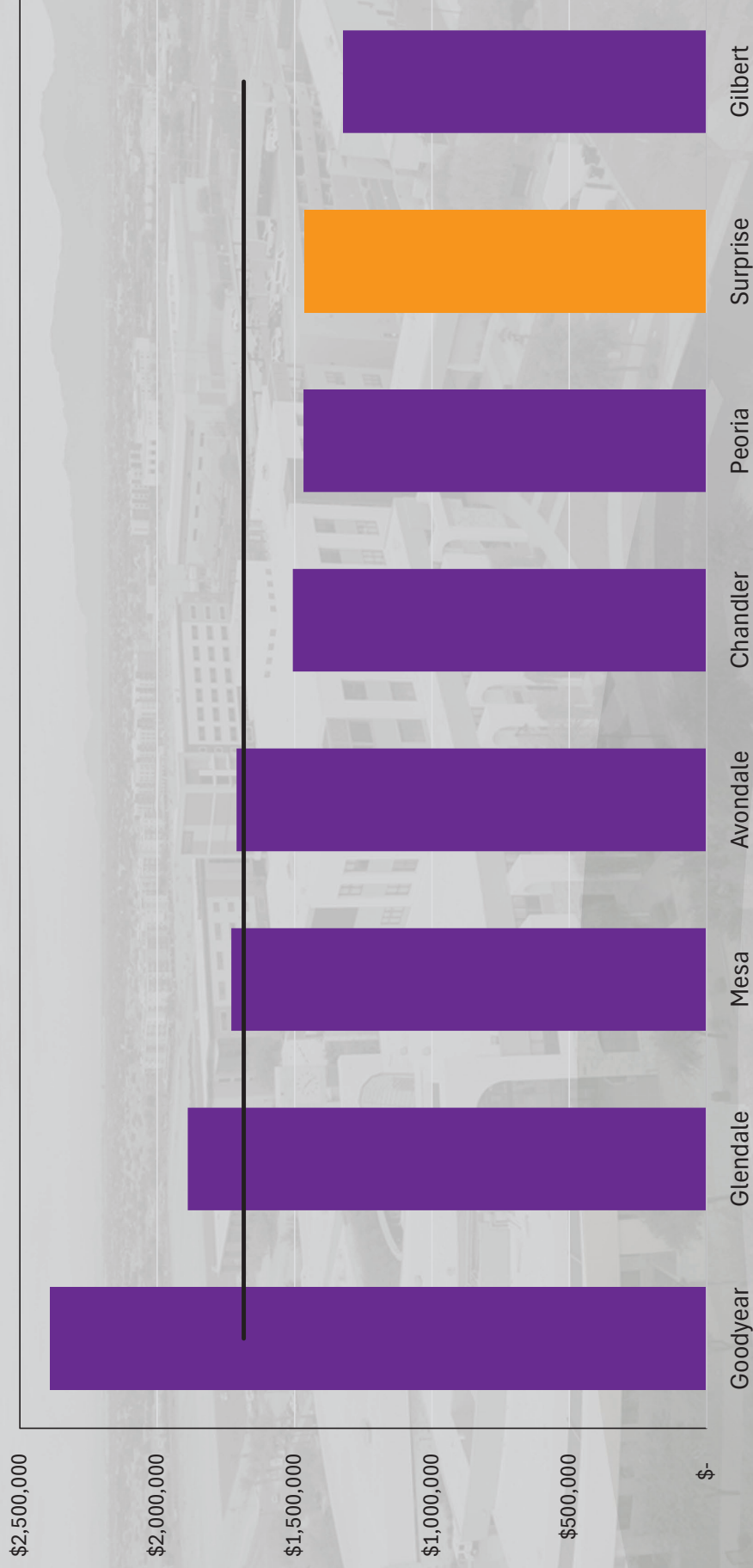
FY26 General Fund Expenses by Category



FY26 General Fund Expenses by Function



Expenditures per 1K Residents (5yr Avg)



Number of FTEs Per 1K Residents



Questions or Comments?

THANK YOU



SURPRISE

ARIZONA Page 223 of 311



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Andrea Davis, DIRECTOR -
FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations:

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to annual updates to the City's financial policies.

Motion:

None; discussion only.

Background:

Comprehensive financial policies are an important element of solid financial structure and long-term financial planning. These policies, which are reviewed and updated annually, cover the areas of operating management, capital management, debt management, minimum fund balance, financial reporting, and public safety pension funding. The City's budget amendment policies and procedures are also included as part of this annual review.

Objective Analysis:

The City's financial policies provide the road map for financial operations and demonstrate the City's commitment to sound financial management practices.

Policy Compliant:

This item is compliant with City and Council policies and will meet the requirements set forth by A.R.S. 38-863.01.

Financial Impact:

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

Budget Impact:

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

FTE Impact:

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

ATTACHMENTS:

1. FY2026 Financial Policies_Redline 02142025
 2. FY2026 Budget Amendment Policy Redline
 3. Financial Policy Updates 05.06.2025
-



Comprehensive Financial Management Policies

CITY OF SURPRISE, ARIZONA COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES EFFECTIVE JULY 1, 2025⁵⁴

Commented [AR1]: Any changes to the City's Strategic Plan?
Any changes occur throughout the year that need to be documented in this policy?
Any changes to systems or processes?

Introduction

The City Council strives to build a financially resilient government through financial policies and long-term financial planning. The City Council's Strategic Plan Framework, goals, and objectives provide the foundation for the comprehensive financial management policies. The City's comprehensive financial management policies provide the roadmap to achieve financial resiliency and demonstrate the City's commitment to sound financial management practices, as defined by the Government Finance Officers Association (GFOA). The GFOA has identified eight characteristics of a financially resilient government:

1. Diversity: Avoid reliance on a single solution.
2. Redundancy: Avoid having only one path of rescue.
3. Decentralization: Centralized systems look strong, but failure is catastrophic.
4. Transparency: Make it easier to figure out where a problem may lie. Share plans and listen when people point out flaws.
5. Collaboration: Working together to become stronger.
6. Fail Gracefully: Failure happens. Make sure failure won't make things worse.
7. Flexibility: Be ready to change when plans aren't working. Don't expect stability.
8. Foresight: Think and prepare.

Financial policies contribute to increased public confidence and trust as well as provide clear direction to City staff concerning the diligence and stewardship with which public monies are to be managed. Adopted financial policies show our citizens, the credit rating industry, and prospective investors (bond buyers) the City's commitment to financial resiliency. These policies are presented in the following six areas:

1. Operating Management
2. Capital Management
3. Debt Management
4. Minimum Fund Balance
5. Financial Reporting
6. Public Safety Pension Funding

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial resiliency.
2. The budget shall be considered balanced if revenues plus use of fund balance are equal to or exceed total expenses, by fund. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints.
3. The City Budget is adopted by department within each fund and by project in the capital funds.
4. The full-time equivalent (FTE) count and number of full-time positions are adopted by department within each fund.
5. Budget amendments will be done in accordance with the Budget Amendment Policies and Procedures.



Comprehensive Financial Management Policies

6. Long-range financial plans will be prepared to guide the City and ensure the delivery of needed services due to changes in the economy, service demands, and capital improvements.
 7. Regional considerations and intergovernmental relationships will be evaluated to fund both operating services and capital projects.
 8. The City Council will consider citizen input and review the operating and capital budget recommendations from an outcome and goals perspective.
 9. A diversified revenue system will be developed to protect City services.
 10. The City Council will set the amount to be received from primary property taxes annually. The amount is limited to one-hundred and two percent (102%) of the prior fiscal year's maximum allowable levy plus new construction and reimbursement for the prior calendar year's tort liability payments.
 11. The City currently imposes a four and fifty-two hundredths percent (4.52%) transaction privilege tax on transient lodging. The four and fifty-two hundredths percent (4.52%) tax rate is then split, with three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund to be used for promoting tourism and one percent (1.0%) recorded in the General Fund. The three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund has been committed by City Council to be used for promoting tourism. Of the amount recorded in the Tourism Fund, the Tourism Fund Subcommittee has designated that seventy-five percent (75%) is spent for sports tourism facility development and improvement and twenty-five percent (25%) on marketing, studies, and special events. Any revenue generated by Tourism Funded special events will remain in the Tourism Fund for future use.
 12. Water, Wastewater, Stormwater, and Solid Waste user fees and charges will be examined annually to ensure they recover all direct and indirect costs of service and will be approved by the City Council.
 13. All user fees (excluding water, wastewater, stormwater, and solid waste) will be examined periodically to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.
 14. Grant funding will be considered to leverage City funds and requires City Council approval prior to acceptance.
 15. Cash balances identified for investments will be maintained in accordance with state law and the adopted investment policy to ensure that proper controls and safeguards are maintained. City funds will be managed with an emphasis on safety of principal, liquidity, and yield, in that order.
 16. Employee compensation and benefits will be administered in accordance with the policy given by the City Council. Healthcare costs will be shared between the City and employees and this allocation will be evaluated annually.
 17. The Healthcare Self-Insurance Trust Fund was created under the authority of Arizona Revised Statute § 11-981. The Board of Trustees is charged to administer the trust fund and "make recommendations to the City Council regarding trust fund programs, including amount of appropriations to assure stability and security of the trust fund."
 18. An actuarial evaluation will be performed annually to determine the Incurred but Not Reported (IBNR) claim liability. This amount is required by accounting practices and represents the cost of unpaid claims (claims run-out), assuming the City stops being self-insured.
 19. The City will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.
-

- 20. The City will maintain a methodology for allocating the City's indirect costs to service departments. A consultant may be hired to update the plan periodically.
- 21. All cash transfers between funds must be approved by City Council. Transfers to record capital assets within operating and capital funds are not presented to the City Council as these are administrative in nature.
- 22. All initial inter-fund loans must be approved by City Council.
- 23. All use of budgetary contingency accounts must be approved in accordance with the Budget Amendment Policies and Procedures prior to being expended.
- 24. A sustainable and consistent revenue source should be identified so that a portion of this source may be dedicated to asset replacement funding. The amount dedicated to asset replacement will be incrementally increased each year until an adequate amount has been established as determined during the annual budget process.
- 25. Separate asset replacement funds will be established in the areas including, but not limited to, Information Technology/Communications, Fleet, Facilities, Roads, and Community Services. The budget of each asset replacement fund will be managed by the appropriate department in order to meet the needs of their asset replacement program. As part of the annual budget process, asset replacement funding will be allocated across these funds and any unspent amount will carryover year to year.

Capital Management Policies

- 26. The City shall use an integrated approach to capital planning and financing in preparing a five-year Capital Improvement Plan. Only the first year of the plan will be adopted by the City Council.
 - 27. The Capital Improvement Plan will include funding to support repair and replacement of capital equipment and infrastructure. A high priority should be placed on those items where deferring maintenance will result in greater cost to restore or replace. Proposed capital projects will be prioritized based on the City Council's goals and objectives, the General Plan, and master plans.
 - 28. Future operating, maintenance, and replacement costs associated with new capital improvements will be included as a schedule within the annual budget document. Capital projects will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.
 - 29. The City currently imposes a three and seven-tenths percent (3.7%) transaction privilege tax on construction. The three and seven-tenths percent (3.7%) tax rate is then split, with two and two-tenths percent (2.2%) retained in the General Capital Fund and one and one-half percent (1.5%) recorded in the Transportation Improvement Fund. Revenue recorded in the Transportation Improvement Fund is to be dedicated to either the construction of new roadways, or the maintenance and operation of existing transportation corridors within the city.
 - 30. As permitted by state law, the City shall maintain a financial structure to ensure future development pays for itself and is not a burden on existing residents (i.e. "growth pays for growth"). Elements of this financial structure include impact fees, development agreements, Improvement Districts (IDs) and Community Facility Districts (CFDs).
 - 31. Impact fees for infrastructure attributable to new development will be reviewed at least every other year to ensure that fees recover all direct and indirect development-related expenses, as permitted by state law, and will be approved by the City Council.
-



Comprehensive Financial Management Policies

32. Any capital assets dedicated or donated to the City such as infrastructure, land, right-of-ways, easements, etc. must be approved by the City Council. Any capital asset dedicated or donated to the city must include a valuation.

Debt Management Policies

33. The City shall periodically report measurable steps taken in striving towards achieving and maintaining the highest possible bond ratings. This will minimize borrowing costs, optimize access to credit, and demonstrate excellent financial stewardship on behalf of our residents.
34. An analysis showing how a new debt issue combined with current outstanding debt impacts the City's debt capacity and conformance with City debt policies will accompany every proposal.
35. General Obligation debt, which is supported by property tax revenues, will be utilized as authorized by voters. Other types of voter-approved debt (e.g. water and wastewater) may also be utilized when they are supported by dedicated revenue sources (e.g. fees and user charges).
36. The Arizona Constitution provides that the general obligation bonded indebtedness for a city may not exceed twenty percent (20%) of the net secondary assessed valuation of the taxable property of the city for projects for purposes of water, wastewater, artificial light, open space preserves, parks and recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities. Outstanding general obligation bonded indebtedness for all other purposes may not exceed six percent (6%) of the City's net secondary assessed valuation.
37. Trust agreements, and contractual debt, all of which are non-voter approved, will be utilized only when approved by City Council.
38. Improvement District (ID) and Community Facility District (CFD) bonds shall be permitted only when there is a general City benefit as defined and approved by the City Council.
39. Utility rates will be established to ensure the ratio of net revenues to debt service meets bond indenture requirements.
40. The City will follow appropriate procedures with regard to obligations under continuing disclosure undertakings as identified by the Securities and Exchange Commission under the Securities Exchange Act of 1934.
41. The City will follow appropriate procedures with regard to tax-exempt obligations as identified by the Internal Revenue Code of 1986.

Minimum Fund Balance Policies

42. Minimum fund balances are not intended to be spent. The purpose of the minimum fund balance is to ensure the City has adequate resources to meet its needs. If the necessity arises to draw down a fund balance below the minimum requirements that have been set, a plan to replenish the minimum fund balance will be presented to the City Council for approval.
43. Minimum fund balance requirements will be evaluated annually for long-term adequacy and use requirements.
44. The City has formally adopted a minimum fund balance policy for the following governmental funds:
- The General Fund will maintain a reserve equal to at least three months of budgeted personnel, supplies, and services for the General Fund, Sports and Tourism Fund, and Highway User Revenue Fund. The City Council will commit this amount to be allocated across a three-part reserve as follows:
-

- i. Ten percent (10%) will be dedicated to an Emergency Reserve for unexpected, large-scale expenses resulting from events where immediate, remedial action must be taken to protect the health and safety of residents, all unassigned fund balance has been exhausted, and no amount previously appropriated by the City Council is otherwise available. Any use of the Emergency Reserve must be approved by the City Manager or designee. When this occurs, the City Manager shall provide a summary report to the City Council as soon as practical on the usage of these funds and have City Council approve any necessary budget amendments. At that time, the City Manager will also present a plan to restore the Emergency Reserve within the next fiscal year following the fiscal year in which the event occurred.
 - ii. Sixty percent (60%) will be dedicated to an Operating Reserve for unexpected events such as failure of the state to remit revenues to the City, loss of state shared revenues, or other impairment of a significant funding source for the remainder of the fiscal year. The Operating Reserve may also be used for unexpected mandates or other events that cause the City to incur unplanned expenses. The Operating Reserve allows for the continuance of critical City services due to these unanticipated events and is done so after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. Any use of the Operating Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan that projects to restore the Operating Reserve within two fiscal years following the fiscal year in which the event occurred.
 - iii. Thirty percent (30%) will be dedicated to a Stabilization Reserve to provide funding to offset reductions in revenues resulting from fluctuations in the economic cycle that cannot be otherwise absorbed by the operating budget. The reserve funds will provide time for the City to restructure its operations in a deliberate manner to ensure continuance of critical City activities and is used after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. Any use of the Budget Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Budget Stabilization Reserve within the three fiscal years following the fiscal year in which the event occurred.
- b. General Capital Fund of \$1.0M
 - c. Transportation Improvement Fund of \$0.5M
 - d. Street Light Improvement Districts (SLIDs). SLIDs have a maximum levy limit of \$1.20 per \$100 of assessed valuation in accordance with A.R.S. § 48-616. To the extent that the levy limit has not been exceeded, taxes will be levied at a rate that will approach an individual ending fund balance reserve of five percent (5%) of its budgeted annual expenses.
 - e. Tourism Fund of \$5,000.
 - f. The Spring Training Ticket Surcharge Fund will have a minimum fund balance of \$600,000. Any excess fund balance remaining as of June 30 shall be remitted to the General Fund.
 - g. The Water Fund will have a four-part reserve as follows:
 - i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Water Fund.

- ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year.
 - iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total charges for services revenue. Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.
 - iv. The City will maintain a Resource Portfolio Reserve equal to fifteen percent (15%) of the total cost of delivery and capital charges for Municipal and Industrial plus the Phoenix Active Management Area (AMA) Underground Storage charges multiplied by the total amount of the City's Central Arizona Project (CAP) allocation.
- h. The Wastewater Fund will have a three-part reserve as follows:
- i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Wastewater Fund.
 - ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year.
 - iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total charges for services revenue. Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.
- i. The Stormwater Fund will have a three-part reserve as follows:
- i. The City will maintain an amount equal to the average budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the Stormwater Fund.
 - ii. The City will maintain an amount equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year for repair and replacement.
 - iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total revenues collected through charges for services. Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.
-

- j. The Solid Waste Fund will have a four-part reserve as follows:
 - i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Solid Waste Fund.
 - ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year.
 - iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total charges for services revenue. Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.
 - iv. As the Solid Waste Utility has excess revenues, the City will maintain a phased Contingency Reserve equal to one-half percent (0.5%) of personnel, supplies and services expenses beginning in FY2022 and increased to one percent (1%) for each subsequent year through FY2024.
 - k. The Risk Management Fund will maintain an amount that, together with purchased insurance policies, will adequately indemnify the City. The appropriate funding level will be set at three times the maximum annual loss of \$250,000 which is equal to \$750,000, which will be approved by the City Council.
 - l. The Healthcare Self-Insurance Trust Fund ("Trust Fund") will maintain an amount at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The City has established an Adverse Times Reserve. The purpose of this reserve is to address cash flow needs caused by periods in which claim payments exceed projections. The target amount of this reserve is at least twenty-five percent (25%) of expected annual claims. If, at any time prior to the end of the fiscal year, the Trust Fund's target reserve is met and fully funded for the entire fiscal year based on the original budget projections approved by the City Council, the Finance Director shall document such funding and, after consulting with the City Manager, may conduct an evaluation of the claims incurred by the Trust Fund year to date, and if fiscally and financially prudent based on the claims incurred, Transfer from the City's various operating funds only that portion of the Employer premium necessary to cover actual claims incurred, such that the Trust Fund revenues are equal to the Trust Fund expenses, and the Trust Fund account experiences a zero change in net position. At all times the City will continue to transfer and deposit into the Trust Fund 100% of the monthly employee premiums collected.
 - m. The Workers' Compensation Trust Fund will maintain an amount which, together with the purchased excess insurance policy will adequately indemnify the City. The City has established an Adverse Times Reserve of \$2,000,000. The purpose of this reserve is to maintain the regulatory required reserve and industry standard reserve.
 - n. Other funds, such as the Net Premium Seating Fund, have minimum fund balance requirements which are established by contract. These requirements will be monitored annually as part of the budget process to ensure compliance with contractual agreements.
 - o. City Council will commit the fund balance for the Transportation Improvement Fund, Net Premium Seating Fund, and Sports and Tourism Fund. These funds are constrained to a specific use.
-

Comprehensive Financial Management Policies



Financial Reporting Policies

45. The City's Finance Director will develop standard operating procedures to ensure the City's accounting and financial reporting systems are maintained in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP) and the standards of the Governmental Accounting Standards Board (GASB).
46. An annual audit will be performed by an independent public accounting firm. The City will prepare an Annual Comprehensive Financial Report (ACFR) with the objective of receiving an unmodified ("clean") audit opinion. The independent auditor will present and discuss audit findings regarding internal controls and operational issues to the Audit Committee at a public meeting.

ACFR Fund Balance Reporting

1. The hierarchy from least spendable to most spendable fund balance for governmental funds of the City shall be: non-spendable, restricted, committed, assigned and unassigned. When funds are available from multiple classifications, it is the City's policy to utilize the most restrictive funding first.
 2. Non-spendable fund balances are determined solely by their form.
 3. Restricted fund balances are determined solely by the constraints placed on the use of the resources.
 4. Committed fund balance represents amounts that have been constrained to a specific use by the formal action of the City's highest level of decision-making authority, the City Council. A majority vote of the City Council is necessary to establish, modify, or rescind a fund balance commitment.
 5. The City has elected the following commitments of fund balance to be standardized from year to year.
 - a. A commitment for repair and replacement of general government vehicles and other rolling stock will be maintained based upon lifecycle replacement plans prepared annually. This commitment shall be maintained in the Vehicle Replacement Fund.
 - b. A commitment of a one and one-half percent (1.5%) construction sales tax to be used solely for the purposes of paying costs related to new roadways and to refurbish existing transportation corridors, to be maintained in the Transportation Improvement Fund (Ordinance No. 05-13).
 - c. In addition to the two and fifty-two hundredths percent (2.52%) transient lodging tax restricted by state statute, a commitment of an additional 1.0% transient lodging tax for a total of three and fifty-two hundredths percent (3.52%) will be used to promote tourism and be maintained in the Tourism Fund (Ordinance No. 2010-04).
 6. In order to be reported as committed fund balance in the ACFR the City Council must approve the commitments prior to June 30th. However, the amount of the commitment may be determined after June 30th.
 7. Amounts that have been constrained by the City's intent to be used for a specific purpose and are neither restricted nor committed are reported as assigned fund balance. The City Council has designated the authority to assign amounts to be used for specific purposes to the Chief Financial Officer (CFO).
-

47. The City's ACFR will be submitted annually to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.
48. The City's Budget will be submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.
49. A financial report will be presented to the City Council no less than quarterly.

Public Safety Pension Funding

50. The City Council formally accepts the assets, liabilities, and current funding ratio of the City's PSPRS trust funds from the June 30, 2024~~3~~ actuarial valuation, which are detailed below.

Trust Fund	Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Surprise Police	<u>\$80,699,699</u>	<u>\$117,892,009</u>	<u>\$37,192,310</u>	<u>68.5%</u>
Surprise Fire	<u>\$96,056,577</u>	<u>\$123,248,529</u>	<u>\$27,191,952</u>	<u>77.9%</u>
City of Surprise Totals	<u>\$176,756,276</u>	<u>\$241,140,538</u>	<u>\$64,384,262</u>	<u>73.3%</u>

51. The City Council's PSPRS funding ratio goal is 100% (fully funded) by June 30, 2036. To achieve this goal, the City will do the following:
- Pay the Annual Required Contribution (ARC) payment from operating funds. The estimated combined ARC for FY2026~~5~~ is \$11,558,004 ~~10,006,364~~.
 - Fund the fiscal year annual pension cost at the beginning of each fiscal year with the budgeted contribution amounts as estimated based on actuarial reports. The budgeted contribution amount will be based on the highest potential cost assuming that each qualifying position participating in PSPRS is fully staffed. If, during the course of the year, the required contribution amount exceeds the original budgeted amount, the City will contribute the additional funds on a per pay period basis to meet its funding obligations.
 - Establish a Public Safety Pension Reserve dedicated for the PSPRS unfunded liability. During year-end close, or at such other time as economically feasible as determined by the Finance Director and City Manager, and approved by Council, the amount of budget in excess of actual expenditures for the police and fire departments - personnel, supplies and service categories (operating expenses), within the General Fund, will be transferred into the Public Safety Pension Reserve.
 - The City's Finance Department will provide an annual update on the financial position of the PSPRS trust funds to City Council.
 - During the annual budget process or at such other time as economically feasible as determined by the Finance Director and approved by Council, Council will review the feasibility of making additional payments to the Public Safety Pension Reserve.

BUDGET AMENDMENT POLICIES AND PROCEDURES

A. Purpose

The following policy and procedures are established to implement a consistent and efficient process by which the adopted city budget may be amended.

B. Policy

Throughout the course of the fiscal year, amendments to the budget are necessary to address new issues, increased prices, and changes in scope of existing projects. This policy applies to all budget amendments initiated by the Mayor and City Council, the City Manager's Office, and/or departments. The Finance Department shall finalize budget amendments following appropriate authorization per the schedule in Section D of this document and in accordance with the City's Comprehensive Financial Management Policies.

Adopted Level of Budgetary Control

The budget is appropriated by department within each fund. The Capital Improvement Plan (CIP) is appropriated by project.

C. Procedure

1. The requesting department shall prepare and submit to the Finance Department:
 - a. The draft Budget Amendment Resolution (if Council approval is required), and
 - b. A budget amendment journal with attached Budget Amendment Request form within the financial management system that has been approved by the Department Director or his/her designee.

The Finance Department budget point of contact shall review the request for availability of budget to be amended, appropriate authorization level, accuracy, and general reasonableness. The budget point of contact shall communicate any questions or comments to the department and recommend revisions as necessary. The budget point of contact shall then advance the budget amendment journal within the financial management system to the Assistant Finance Director if approved. If applicable, the draft Budget Amendment Resolution will be updated by the budget point of contact and returned to the department to initiate a Request for Legal Services and City Council agenda item.

2. The Assistant Finance Director or his/her designee shall review and approve the budget amendment journal. The journal shall then be advanced for the next approval as appropriate.
 - a. Amendments requiring Finance Director approval shall be reviewed and approved within the financial management system.
 - b. Amendments requiring City Manager approval shall be reviewed and approved within the financial management system.
 - c. Amendments requiring City Council approval shall be held within the financial management system by the Finance Department until City Council action is complete, if approved by City Council, then the Assistant Finance Director or his/her designee will approve.
3. The Assistant Finance Director or his/her designee will post budget amendments in the financial management system, following appropriate authorization per the schedule in Section D of this document.

APPENDIX

Budget Amendment Policies and Procedures

- a. Year-end budget amendments necessary to close out the fiscal year will be posted in the financial management system with approval from the Finance Director or his/her designee. These amendments require final approval by the appropriate authorization as noted in Section D. In the event final approval is not granted, amendments will be reversed.

D. Authorization Levels:

Type of Amendment	Category	Sub-Category	Authorization
Between Funds	All	All	City Council Resolution
Between Departments	All	All	City Council Resolution
Grants	Revenue Expense	Establishment/revision of a grant budget	City Council Resolution
Personnel	Full-time, part-time, overtime personnel	Between divisions	Department Director
	Full-time, part-time or overtime personnel	To/from any other category	City Manager
	Any change in FTE count or count of FT positions	All	City Council Resolution
Commodities/Supplies/ Contractual Services/Non-CIP Capital	Within a Department	Between divisions or within a division	Department Director
Capital	CIP (including change in total amount and/or change in scope)	All	City Council Resolution
Contingency	All	All	City Council Resolution
Carryforward	All	All	Finance Director*
Development Agreements and Debt Service Obligations	All	All	Finance Director*
Healthcare, Workers' Compensation, & Insurance Claim Obligations	All	All	Finance Director*
Emergency Reserve	All	All	City Manager*

*The level of authorization for these types of amendments is based on the need to immediately restrict or allow expenses or reimbursements. Anything approved under this authorization shall be included on the year-end budget amendment by Resolution. ~~-The authorized approver shall provide a summary report to the City Council on the movement of these funds who will then take action on the necessary budget amendments by Resolution.~~

E. Relationship to Previously Established Policy

No qualifying statement, previously established rules or procedures shall be used to negate the spirit or intent of this statement of policy.

Financial Policy Updates

Regular City Council Meeting
May 6, 2025



SURPRISE
ARIZONA
Page 237 of 311

Policy Updates

- Provide road map for financial operations
- Demonstrate commitment to sound financial practices
 - Comprehensive Financial Management Policies
 - Budget Amendment Policies

Comprehensive Financial Management Policies

- Based on City Council's strategic plan, goals, and objectives
- Provides financial structure and long-term financial planning
- Includes policy direction related to:
 - Operating Management
 - Capital Management
 - Debt Management
 - Minimum Fund Balance
 - Financial Reporting
 - Pension Funding

Recommended Policy Changes

- Pension funding – update amounts based on most recent actuarial

Budget Amendment Policies

- Established to provide consistent and efficient process by which the city budget may be amended
- Levels of authorization

Recommended Policy Changes

- Minor language changes under the authorization levels section

Questions or Comments?

THANK YOU



SURPRISE

ARIZONA
Page 243 of 311



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: City Clerk
Staff Recommendations:

Contact Person: Kristi Passarelli, City Clerk
District: District 3

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
-------------	-------------	--------------------	-----------------------

Agenda Wording:

Consideration and action pertaining to a recommendation to the Arizona Department of Liquor Licenses and Control (DLLC) on Application No. 338164, requested by Jeffrey Craig Miller, for Aldi #169 for Series 10 Liquor License. Aldi #169 is located at 17038 W Waddell Rd, Surprise, AZ 85388.

Motion:

I move to recommend approval of application No. 338164 to the Arizona Department of Liquor Licenses and Control.

Background:

The City has received an application for a new Series 10 liquor license for Aldi #169 17038 W Waddell Rd, Surprise, AZ 85388. The City Clerk's Office has posted the appropriate notice as required by law. No written arguments in favor of or opposed to the issuance of the license have been received by the Clerk's Office within the twenty days after the date of posting the notice.

The application has also been disseminated to the Community Development Department, Finance Department, Surprise Police Department, and Surprise Fire and Medical Department for review. Those departments have submitted memoranda which are attached to this item.

Objective Analysis:

Pursuant to state law, the City Council shall enter an order recommending approval or disapproval within sixty days after the filing of the application and shall file a certified copy of the order with the director. If the City Council recommends approval of the license a hearing before the state Liquor License Board is not required unless the director, the board or any aggrieved party requests a hearing on the grounds that the public convenience and the best interest of the community will not be substantially served if a license is issued. If the recommendation is for disapproval, a statement of the specific reasons containing a summary of the testimony or other evidence supporting the recommendation for disapproval shall be attached to the order and the state Liquor License Board will hold a hearing.

Policy Compliant:

The Liquor License process is controlled by state law. The steps taken by the City Clerk's Office and this public hearing comply with, and fulfill the City's legal obligation under, applicable state law.

Financial Impact:

None

Budget Impact:

None

FTE Impact:

None

ATTACHMENTS:

1. Aldi #169 Map 17038 W WADDELL RD
 2. CD - Aldi #169 Report 17038 W WADDELL RD
 3. Finance - Aldi 169-17038 W Waddell Rd
 4. Fire - 17038 W Waddell Aldi 169 liquor license
 5. PD - Aldi 13723 W Bell
-



COMMUNITY DEVELOPMENT DEPARTMENT

Date: April 22, 2025
To: Kristi Passarelli, City Clerk
From: Lloyd Abrams, Community Development Director
Dan Johnson, Zoning Specialist
Re: Liquor License Application for:

AGENT, Jeffrey Craig Miller
Aldi #169
17038 W Waddell Road
Surprise, Arizona 85388

NEW SERIES 10 (New Application – Beer Wine Store) – Application # 338164

The number and series of licenses in close proximity to the subject site are:

1. Circle K Store #9576 (Series #9) – 16934 W Waddell Rd.
2. Walmart Super Center #5429(Series #9) – 14111 N Prasada Gateway Ave.

The immediate area is comprised of commercial establishments. The property is zoned PAD, Prasada (Commercial) which is consistent with the proposed use.

Commercial and residential growth is expected.

If managed properly, the effects of granting this liquor license on surrounding residences will be minimal. This license will have little to no affect on parking in the area. Staff believes that granting this liquor license will not directly impact the surrounding business and residential areas in a negative way.



MEMO

Date: 04/16/2025

To: Kristi Passarelli, City Clerk

Charles Vasquez, Deputy City Clerk

From: Stephanie Cheshire, Business Compliance

RE: Liquor License Application – Aldi #169 17038 W Waddell Rd, Surprise, AZ 85388

Business License Status:

- ☒ Application link emailed on 04/16/25 .
- ☐ License # , current and valid for .
- ☐ Applied for license but is still pending and waiting on customer to provide additional information or documents.



Finance Department
Revenue Division
16000 N. Civic Center Plaza
Surprise, AZ 85374-7470
Business.license@surpriseaz.gov

04/16/2025

Aldi #169

17038 W Waddell Rd

Surprise, AZ 85388

Re: Business License Requirement

To Whom It May Concern:

The Revenue Division has received notification that a liquor license application has been received on behalf of your company.

The City of Surprise requires that all businesses located within the City of Surprise have a City of Surprise business license prior to the start of their operations. Please be sure to apply for your business license at least 3 weeks prior to the opening of your business.

You can apply online at <https://primeweb.surpriseaz.gov/> . City of Surprise Business License applications and supplemental forms are available online at <https://www.surpriseaz.gov/407/Business-License-Application-Supplementa>. License Fees will be billed upon approval of your license application.

For additional information, please visit the City of Surprise website at www.surpriseaz.gov.

If you have any questions, please email our office at business.license@surpriseaz.gov .

Respectfully,
Revenue Division



Surprise Fire-Medical Department
14250 W. Statler Plaza Ste. 101
Surprise, AZ 85374-7479
Phone: 623-222-5000
Fax: 623-222-5001



April 15, 2025

To: Charles Vasquez, Deputy City Clerk

From: Keith Tanner, Fire Marshal

Subject: Liquor License Application

Applicant: Aldi #169
17038 W Waddell Rd
Surprise, AZ 85388

The Surprise Fire-Medical Department has been involved with the pre-construction / plan review process at the above referenced location within the last few months to ensure compliance with the applicable fire codes within the tenant space and building. Since construction work is still ongoing, there are no known fire code violations. Therefore, fire has no comment on the application at this time.

If you have any questions feel free to contact me.

Keith Tanner
Keith Tanner, Fire Marshal
Fire Prevention Division
Surprise Fire-Medical Department

S U R P R I S E P O L I C E D E P A R T M E N T
L I Q U O R L I C E N S E A P P L I C A T I O N R E V I E W

REFERENCE:

New License
Series #10
New Application #338190

April 24, 2025

APPLICANT:

Aldi #175
13723 W Bell Rd
Surprise, Arizona 85374

FINDINGS:

- 1) ***Evidence concerning the nature of the proposed business, its potential market and its likely customers.***
Aldi is well-established “discount” grocery store chain that has markets worldwide and are rapidly expanding in the United States. This Aldi is going to fill in the store space, previously occupied by now defunct Bed Bath and Beyond, which closed approximately two years ago. This new location within the City of Surprise should have a market open to all residents of Surprise and nearby communities.
- 2) ***Effect of vehicular traffic in close proximity.***
Roadways are well established for this area of the Surprise Marketplace retail plaza, which Aldi will be a part of, and there should be no effect of traffic with this addition.
- 3) ***The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report of such activity at least 20 days before the hearing.***
N/A. New construction. However, there were a few cases of shoplifting from previous tenant.
- 4) ***Comparison of hours of operation of the proposed premises to the existing businesses in close proximity.***
All established Aldi’s in the Valley have similar hours of 9 AM to 9 PM every day. Aldi will be in this plaza with lots of other retailers, with large hub stores of Targe on the west end of the plaza and Lowe’s on the east end of the plaza. Both stores close by 10 PM nightly. There are other restaurants with Series 12 licenses, including Red Lobster and Olive Garden and both restaurants close by 11 PM on weekend nights. a Dutch Bros
- 5) ***Appropriateness of series license requested.***
The series #10 license is appropriate for this type of establishment.

Submitted by Officer C. E. Tovar #2059



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: City Clerk
Staff Recommendations:

Contact Person: Kristi Passarelli, City Clerk
District: District 4

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
-------------	-------------	--------------------	-----------------------

Agenda Wording:

Consideration and action pertaining to a recommendation to the Arizona Department of Liquor Licenses and Control (DLLC) on Application No. 338190, requested by Jeffrey Craig Miller, for Aldi #175 for New Series 10 Liquor Application. Aldi #175 is located at 13723 W Bell Rd Surprise, AZ 85374.

Motion:

I move to recommend approval of application No. 338190 to the Arizona Department of Liquor Licenses and Control.

Background:

The City has received an application for an New Series 10 - Beer & Wine Store for Aldi #175 is located at 13723 W Bell Rd, AZ 85374. The City Clerk's Office has posted the appropriate notice as required by law. No written arguments in favor of or opposed to the issuance of the license have been received by the Clerk's Office within the twenty days after the date of posting the notice.

The application has also been disseminated to the Community Development Department, Finance Department, Surprise Police Department, and Surprise Fire and Medical Department for review. Those departments have submitted memoranda which are attached to this item.

Objective Analysis:

Pursuant to state law, the City Council shall enter an order recommending approval or disapproval within sixty days after the filing of the application and shall file a certified copy of the order with the director. If the City Council recommends approval of the license a hearing before the state Liquor License Board is not required unless the director, the board or any aggrieved party requests a hearing on the grounds that the public convenience and the best interest of the community will not be substantially served if a license is issued. If the recommendation is for disapproval, a statement of the specific reasons containing a summary of the testimony or other evidence supporting the recommendation for disapproval shall be attached to the order and the state Liquor License Board will hold a hearing.

Policy Compliant:

The Liquor License process is controlled by state law. The steps taken by the City Clerk's Office and this public hearing comply with, and fulfill the City's legal obligation under, applicable state law.

Financial Impact:

None

Budget Impact:

None

FTE Impact:

None

ATTACHMENTS:

1. Aldi #175 13723 W BELL RD MAP
 2. CD - Aldi #175 13723 W BELL RD REPORT
 3. Finance - Aldi 175-13723 W Bell Rd
 4. Fire - 13723 W Bell Rd Aldi 175 Liquor License
 5. PD - Aldi's 17038 W Waddell
-





COMMUNITY DEVELOPMENT DEPARTMENT

Date: April 22, 2025
To: Kristi Passarelli, City Clerk
From: Lloyd Abrams, Community Development Director
By: Dan Johnson, Zoning Specialist
Re: Liquor License Application for:

Agent, Jeffery Craig Miller
Aldi #175
13723 W. Bell Road, Surprise, Arizona 85374

New Series 10 (New Application – Beer Wine Store– Application # 338190

The number and series of licenses in close proximity to the subject site are:

1. Olive Garden #1627 (Series 12) – 13379 W. Grand Ave.
2. Red Lobster Hospitality LLC (Series 12) 13709 W. Bell Rd
3. Target #1335 (Series 10) – 13731 W. Bell Rd.
4. Sprouts Farmers Market # 12 (Series 10) – 13759 W. Bell Rd.
5. Haldi Indian Cuisine (Series 12) New License – 13761 W. Bell Rd. #B213
6. Chili's Grill & Bar #1153 (Series 12) – 13765 W. Bell Rd.
7. Cobblestone Auto Spa & Market (Series 10) – 13811 W. Bell Rd.
8. State 48 Brewery (Series 3 & 12) – 13823 W. Bell Rd.
9. Irish Wolfhound Restaurant & Pub (Series 6) – 16811 N. Litchfield Rd. #102-104
10. Rio Mirage Cafe (Series 12) – 13863 W. Bell Rd.
11. Chipotle Mexican Grill #0898 (Series 12) – 13869 W. Bell Rd. #107
12. Circle K Store #2741641 (Series 10) – 13908 W. Bell Rd.
13. New York Pizza Dept. (Series 12) – 13980 W. Bell Rd. (Expired)
14. Buffalo Wild Wings (Series 12) – 13882 W. Bell Rd.
15. China Buffet #17119 (Series 12) – 17119 N. Litchfield Rd. #20
16. Uni Sushi & Steak (Series 12) – 17191 N. Litchfield Rd. #40
17. A to Z Polish Market (Series 10) – 17221 N. Litchfield Rd. #50
18. Player 1 Arcade (Series 7) – 17239 N. Litchfield Rd. #60
19. Tacos Califia (Series 12) – 17239 N. Litchfield Rd. #68
20. Wal-Mart Supercenter #2777 (Series 9) – 13770 W. Bell Rd.
21. Applebee's Neighborhood Grill & Bar (Series 12) – 13756 W Bell Rd
22. Biscuits Café (Series 12) – 13752 W. Bell Rd.
23. Mountain Mike's Pizza (Series 12) – 13736 W. Bell Rd. #4
24. Tom Yum (Series 12) – 13736 W. Bell Rd. #2
25. ATL Wings (Series 12) – 13732 W. Bell Rd. #2

26. Octane Lounge (Series 6) – 13420 W. Bell Rd. (Expired)

The immediate area is composed of commercial establishments. The property is zoned PAD C-2 which is consistent with the proposed use.

Residential population will most likely remain static. Commercial growth will likely remain static.

If managed properly, the effects of granting this liquor license on surrounding residences will be minimal. This license will have little to no effect on parking in the area. Staff believes that granting this liquor license will not directly impact the surrounding business and residential areas in a negative way.



MEMO

Date: 04/16/2025

To: Kristi Passarelli, City Clerk

Charles Vasquez, Deputy City Clerk

From: Stephanie Cheshire, Business Compliance

RE: Liquor License Application – Aldi #175 13723 W Bell Rd, Surprise,AZ 85374

Business License Status:

- ☐ Application link emailed on 2/13/25 .
- ☐ License # , current and valid for .
- ☒ Applied for license but is still pending and waiting on customer to provide additional information or documents.



Surprise Fire-Medical Department
14250 W. Statler Plaza Ste. 101
Surprise, AZ 85374-7479
Phone: 623-222-5000
Fax: 623-222-5001



April 15, 2025

To: Charles Vasquez, Deputy City Clerk

From: Keith Tanner, Fire Marshal

Subject: Liquor License Application

Applicant: Aldi #175
13723 W Bell Rd
Surprise, AZ 85374

The Surprise Fire-Medical Department has been involved with the pre-construction / plan review process at the above referenced location within the last few months to ensure compliance with the applicable fire codes within the tenant space and building. Since construction work is still ongoing, there are no known fire code violations. Therefore, fire has no comment on the application at this time.

If you have any questions feel free to contact me.

Keith Tanner
Keith Tanner, Fire Marshal
Fire Prevention Division
Surprise Fire-Medical Department

S U R P R I S E P O L I C E D E P A R T M E N T
L I Q U O R L I C E N S E A P P L I C A T I O N R E V I E W

REFERENCE:

New License
Series #10
New Application #338164

April 24, 2025

APPLICANT:

Aldi #169
17038 W. Waddell Rd
Surprise, Arizona 85388

FINDINGS:

- 1) *Evidence concerning the nature of the proposed business, its potential market and its likely customers.*
Aldi is well-established “discount” grocery store chain that has markets worldwide and are rapidly expanding in the United States. This new location within the City of Surprise should have a market open to all residents of Surprise and nearby communities.
- 2) *Effect of vehicular traffic in close proximity.*
Roadways in the area have been recently expanded and should be able to handle the increase in traffic flow for the area.
- 3) *The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report of such activity at lest 20 days before the hearing.*
N/A. New construction.
- 4) *Comparison of hours of operation of the proposed premises to the existing businesses in close proximity.*
All established Aldi’s in the Valley have similar hours of 9 AM to 9 PM every day. Currently very few businesses are in existence in proximity. There is a Brake Masters that is closed by 5:30 PM daily as well as a Dutch Bros Coffee, which closes at 11 PM. There is also a car was next to Dutch Bros, which closes by 8 PM every evening.
- 5) *Appropriateness of series license requested.*
The series #10 license is appropriate for Aldi’s.

Submitted by Officer C. E. Tovar #2059



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025 Contact Person: Leslie Carnie
Submitting Department: Community Development District: District 6
Staff Recommendations:

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
-------------	-------------	--------------------	-----------------------

Agenda Wording:

Consideration and action pertaining to a rezone of approximately 7.9 acres from Business Park (BP) to Light Industrial (I-1) on a site generally located south of the southwest corner of Litchfield Road and Cactus Road. Case FS24-1195.

Motion:

I move to approve Ordinance #2025-05.

Background:

Michael Stenhjem of Stonehome Development on behalf of Dominion Group of Companies, LLC proposes to rezone approximately 7.9 acres from Business Park (BP) to Light Industrial (I-1). Current Land Development Ordinance (LDO) standards require sites within the BP zoning district to be a minimum of 20 acres. At 7.9 acres, the subject site is well below the minimum requirements. The requested zoning of I-1 allows parcels as small as 20,000 square feet. The site is generally located south of the southwest corner of Litchfield Road and Cactus Road.

Objective Analysis:

The request to rezone to I-1 will accommodate the desired future development, the existing parcel size, and permit uses consistent with the adjacent development.

Policy Compliant:

The requested rezone, as outlined and detailed in the rezone document, is consistent with the Land Development Ordinance and advances the goals and policies of the General Plan.

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

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

ATTACHMENTS:

1. 00 - FS24-1195 Dominion Rezone - Staff Report
 2. 01 – FS24-1195 Dominion Rezone – Vicinity Map
 3. 02 – FS24-1195 Dominion Rezone – Zoning Map
 4. 03– FS24-1195 Dominion Rezone – Proposed Zoning Map
 5. 04 – FS24-1195 Dominion Rezone – Zoning Document
 6. 05 – FS24-1195 Dominion Rezone – Luke AFB Letter
 7. 06 – FS24-1195 Dominion Rezone – Citizen Participation Report
 8. 07 - FS24-1195 Dominion Rezone - Affidavit of Site Posting
 9. 08 - FS24-1195 Dominion Rezone - Ordinance Draft
 10. FS24-1195 Dominion Rezone - Presentation
-

1	Case:	FS24-1195
2		
3	Project Name:	Dominion Rezone
4		
5	Council District:	6 – Palo Verde
6		
7	Meeting Date:	May 06, 2025
8		
9	Planner:	Leslie Carnie, Planner II
10		
11		
12	Owner:	Dominion Group of Companies, LLC
13		
14	Applicant:	Michael Stenehjem
15		
16	Request:	Rezone from Business Park (BP) to Light Industrial (I-1)
17		
18	Site Location:	Generally located south of the southwest of the corner of Litchfield Road and Cactus Road. Case FS24-1195.
19		
20		
21	Site Size:	7.9 acres (approx.)
22		
23	General Plan Conformance:	The proposal is consistent with the Surprise General Plan 2040.
24		
25	Support/Opposition:	See attached Citizen Participation Report
26		
27	Commission	
28	Recommendation:	The Planning and Zoning Commission recommended approval of case FS24-1195 to the City Council, subject to stipulations ‘a’ and ‘b’.
29		

30 **Project Description:**

31 Michael Stenehjem of Stonehome Development, on behalf of Dominion Group of Companies, LLC,
32 proposes to rezone approximately 7.9 acres from Business Park (BP) to Light Industrial (I-1). Current
33 Land Development Ordinance (LDO) standards require sites within the BP zoning district to be a
34 minimum of 20 acres. At 7.9 acres, the subject site is well below the minimum requirements. The
35 requested zoning of I-1 allows parcels as small as 20,000 square feet. The request to rezone to I-1 will
36 accommodate the desired future development, the existing parcel size, and permit uses consistent
37 with the adjacent development. The site is generally located south of the southwest corner of
38 Litchfield Road and Cactus Road.

39
40 **Background:**

41
42 **August 10, 1995:** City Council approved the annexation of the subject parcel.

43
44 **December 6, 2016:** City Council approved a rezone from Rural Residential (RR) to Business Park (BP)
45 under case number FS16-350.

46
47 **December 06, 2022:** City council approved an office Condominium Plat for the subject parcel under
48 case number FS21-827.

49
50 **August 28, 2024:** The applicant submitted a rezone request under the subject case number.

51
52 **February 05, 2024:** The applicant hosted a Neighborhood Meeting solicit feedback on the subject
53 rezone case.

54
55 **March 20, 2025:** Planning and Zoning Commission recommended approval of the subject rezone

56
57 **Neighborhood Meeting Summary:**

58 A neighborhood outreach meeting was held on February 05, 2025, at the Residence Inn. There was
59 one member of the public in attendance. During this meeting, the attendee did not express any
60 concerns or opposition to the proposed rezone.

61
62 **Analysis and Discussion:**

63 The purpose of this application is to seek the rezone of approximately 7.9 acres intended for a
64 future Employment development. The parcels that surround this site are zoned in the Kenly
65 Farms II PAD with underlying Employment zoning and have developed using the I-1 development
66 standards. The subject parcel was rezoned from Rural Residential (RR) to Business Park (BP) in
67 2016. The development standards for BP in the current LDO are not appropriate for the 7.9-acre
68 parcel. The rezone to Light Industrial (I-1) will allow similar commercial and light industrial uses
69 while reducing the minimum lot size requirements. See Table 106-7a below for a comparison of
70 the development standards.

Table 106-7a—Employment Zoning Districts				
	Current	Proposed		
	BP	I-1	I-2	I-3
Minimum lot area	20 acres ⁶	20,000 sf	5 acres	40 acres
Min. setback to arterial ROW	35	35	35	50
Min. setback to collector and local ROW (ft)	25	35	35	50
Min. setback adjacent to residential zoning (ft)	75 ¹	50 ²	75 ¹	150 ³
Min. setback adjacent to non-residential zoning (ft) ⁴	15	15	25	50
Max. bldg. height (ft) ⁵	45	40	85	40
Notes:				
1. May be reduced to 15 feet when the development provides a 45 feet or greater landscape <i>buffer "tract"</i> with a public <i>access</i> easement to allow paths or trails that may connect to the city open trails system.				
2. May be reduced to 15 feet when the development provides a 30 feet or greater landscape <i>buffer "tract"</i> with a public <i>access</i> easement to allow paths or trails that may connect to the				

Current Zoning



Kenley Farms PAD	Kenley Farms PAD	Public Facilities (PF)
Kenley Farms PAD	Business Park (BP)	Desert Cove PAD
Kenley Farms PAD	Kenley Farms PAD	Desert Cove PAD

Proposed Zoning



Kenley Farms PAD	Kenley Farms PAD	Public Facilities (PF)
Kenley Farms PAD	Business Park (BP)	Desert Cove PAD
Kenley Farms PAD	Kenley Farms PAD	Desert Cove PAD

Conformance with Adopted Plans:

The property is located within the Commercial and Office Area of the Surprise General Plan 2040. Employment uses are not typically supported in this Character Area, however, this parcel also lies within the Luke Compatibility District (LCD) sub area. The LCD encourages Employment uses that are compatible with Luke AFB operations.

Summary:

The proposed rezone from Business Park (BP) to Light Industrial (I-1) is in compliance with Surprise General Plan 2040 vision and the Surprise Municipal Code.

Recommendation:

Based on the findings noted above, the Planning and Zoning Commission recommended **approval** of case **FS25-1195** to the City Council, subject to stipulations ‘a’ and ‘b’ as outlined below:

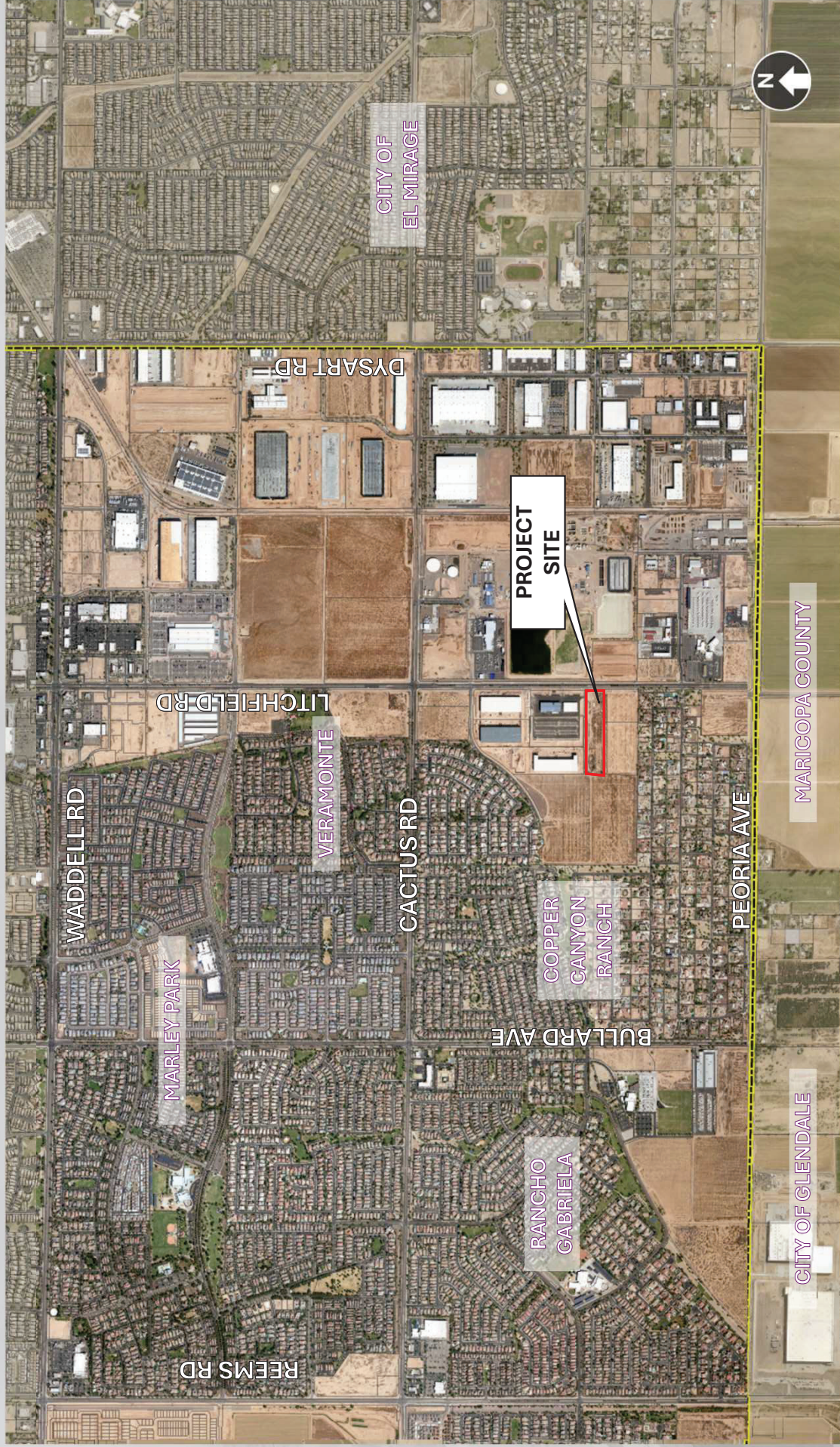
- a. Development and use of the site shall be consistent with the Zone Change narrative entitled “I-1 Light Industrial Rezone Document for Case No. FS24-1195,” prepared by Dominion Group of Companies, LLC, and stamped received November 25, 2024.
- b. Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the applicable provisions of the Surprise Municipal Code.

99 However, should the Council wish to **deny** the request, the Council should make its own findings and
100 base its decision on those alternative findings.
101

102 **Attachments:**
103

104 01 Vicinity Map
105 02 Zoning Map
106 03 Proposed Zoning Map
107 04 Rezone Document
108 05 Luke AFB Letter
109 06 Citizen Participation Report
110 07 Affidavit of Site Posting
111 08 Ordinance
112 PPT

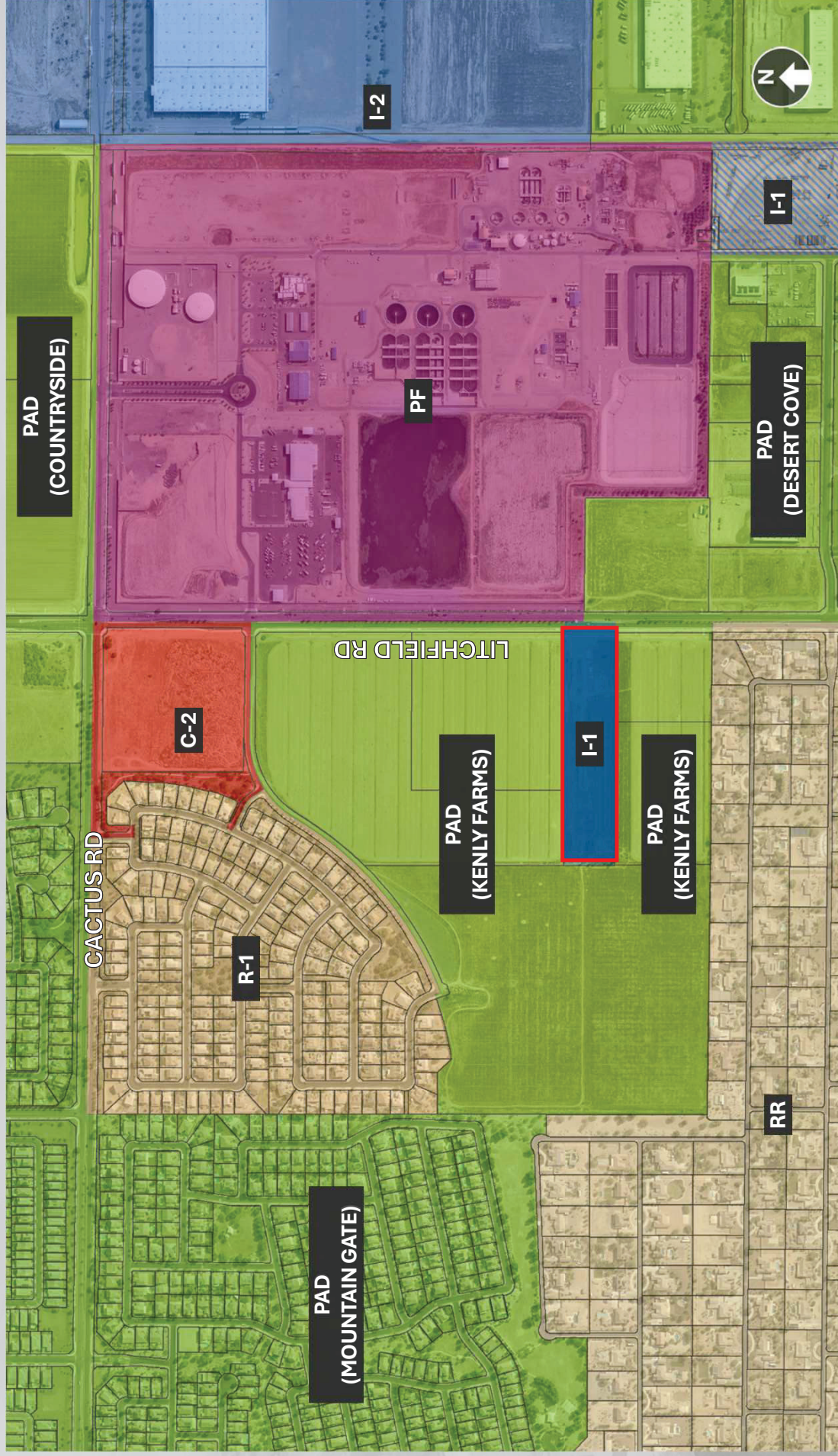
VICINITY MAP



ZONING MAP



PROPOSED ZONING MAP



I-1 Light Industrial Rezone Document for

Case No. FS24-1195

DOMINION GROUP OF COMPANIES 7.9 ACRES

11294 N Litchfield Road, Surprise, AZ

Tax Parcel # 509-08-885

August 22, 2024

Revised October 30, 2024

OWNER: Dominion Group of Companies LLC

APPLICANTS: Dominion Group of Companies LLC

Attn: Mike Stenehjem

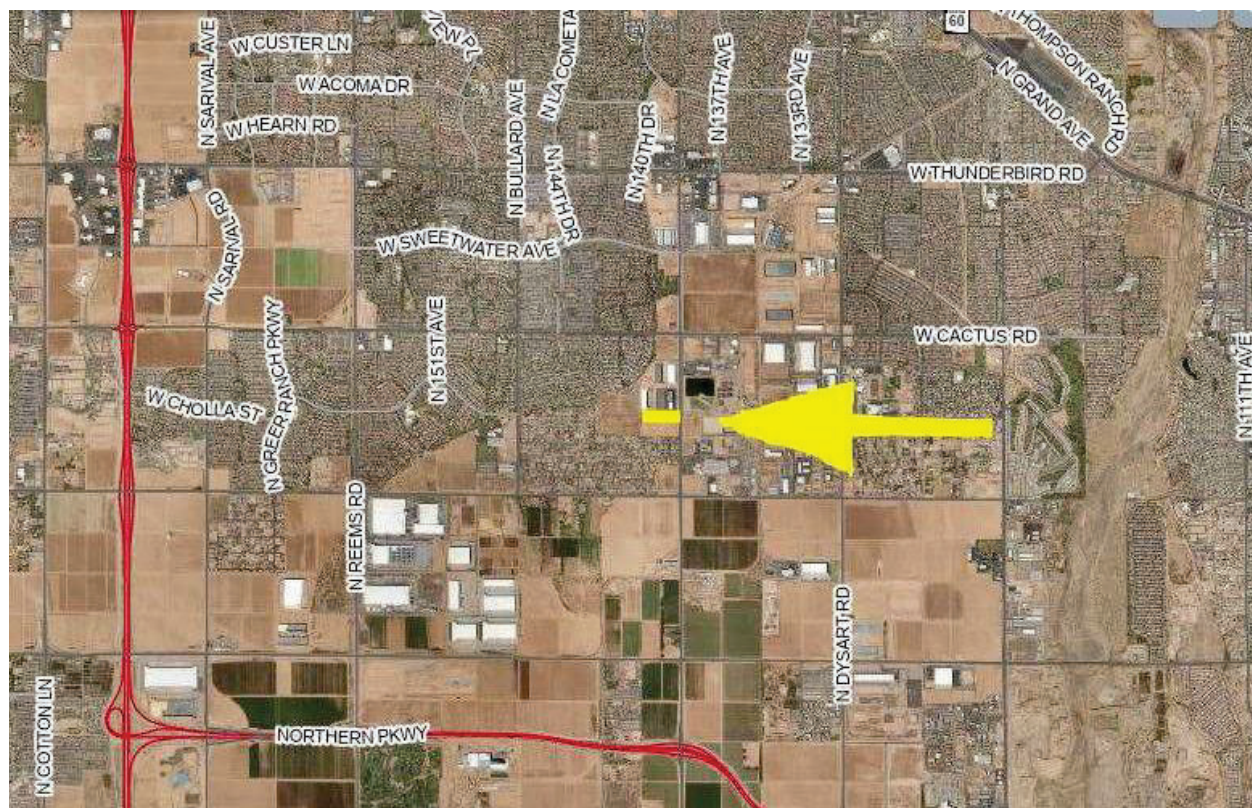
11803 N Saguaro Blvd #7 Fountain Hills, AZ 85268

mike@stonehomedev.com

TABLE OF CONTENTS

Location Map.....	3
Narrative.....	4
Surrounding Land Uses.....	5
Existing Surrounding Zoning and Land Use Map.....	6
Existing and Proposed Zoning.....	7
Proposed Zoning Map.....	8
General Plan Conformity.....	9
Surprise General Plan 2040.....	9
Development Plan.....	10
Exhibit A – Legal Description.....	11

LOCATION MAP



NARRATIVE

PROJECT OVERVIEW

Mike Stenehjem and Dominion Group of Companies, request a rezone of the approximately 7.9 acres on the west side of Litchfield Rd., ½ mile south of Cactus Rd. in Surprise, Arizona. Maricopa County Tax Parcel # 509-08-885. The subject 7.9 acres is currently zoned Business Park (BP).

EXISTING SITE CONDITIONS

The site is vacant land. The parcel is approximately 170' wide along Litchfield Road by 1252' deep. Utilities are available to the site.

SITE HISTORY AND REASONS FOR THE REQUEST

The Property was purchased in December 2020 with the original intent to develop a flex industrial business park. Civil and site plans were submitted and approved and have since expired. The properties surrounding the site are zoned PAD while this site is zoned BP. Through amendments, BP zoning now requires a minimum of 20 acres which this site cannot meet. Making Business Park zoning no longer appropriate for the size and shape of this property.

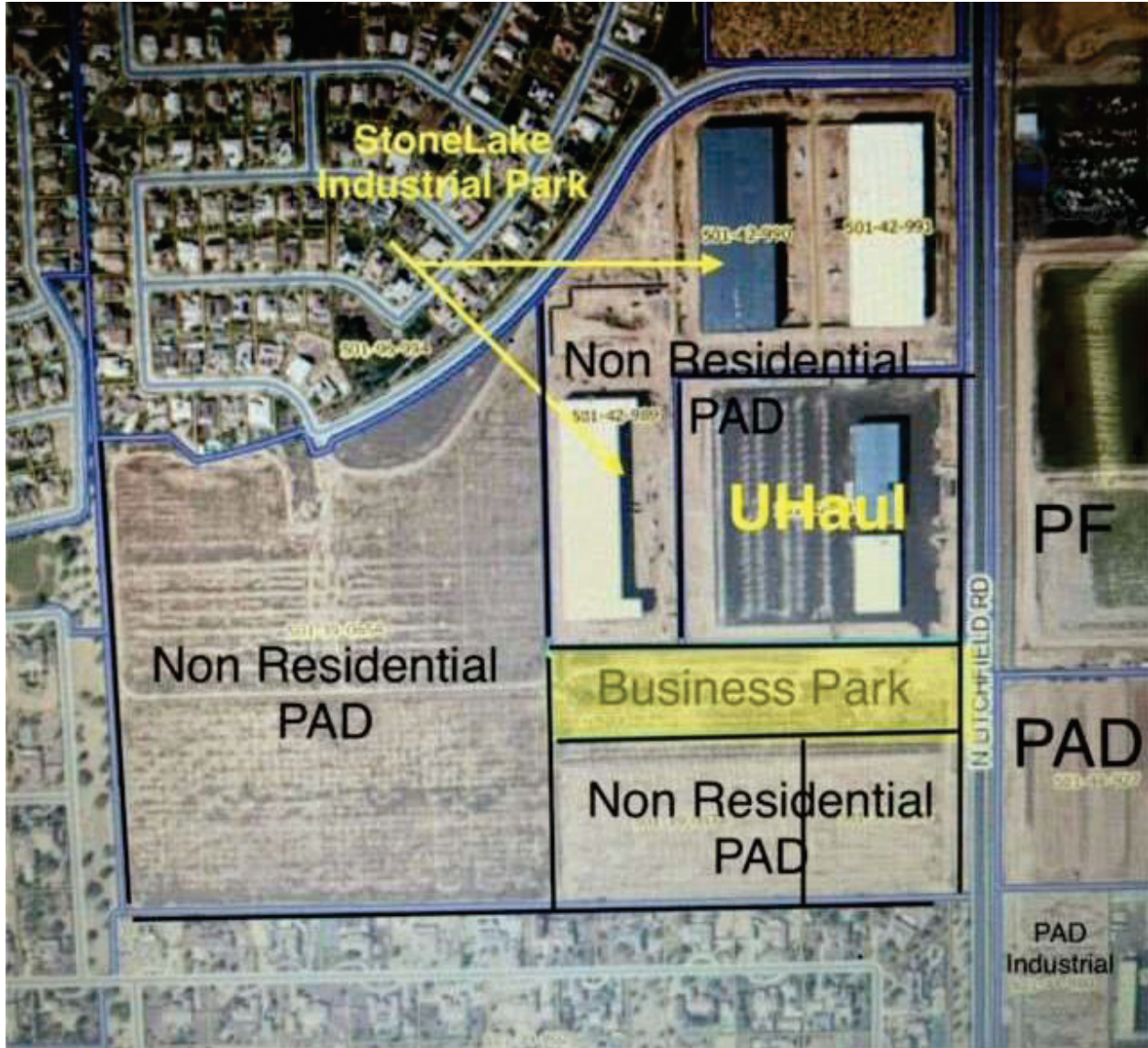
SURROUNDING LAND USES

- North:** UHaul Self Storage and RV and Litchfield Logistics Industrial Park
- South:** Vacant lot zoned non-residential PAD
- East:** Desert Cove Commercial Park zoned PAD, and City of Surprise wastewater treatment facility.
- West:** Vacant land, part of Kenly Farms II property -- zoned non-residential PAD

Subject site is surrounded on three sides by the Kenly Farms II property that is zoned Non-residential Planned Area Development, PAD. Allowed uses are those consistent with I-1, BP, C-2, C-3 per Title 17 of the Surprise Municipal Code.

Bordering the property on the north side is Uhaul Self Storage and RV as well as the Litchfield Logistics Industrial Park.

EXISTING SURROUNDING ZONING AND LAND USE MAP

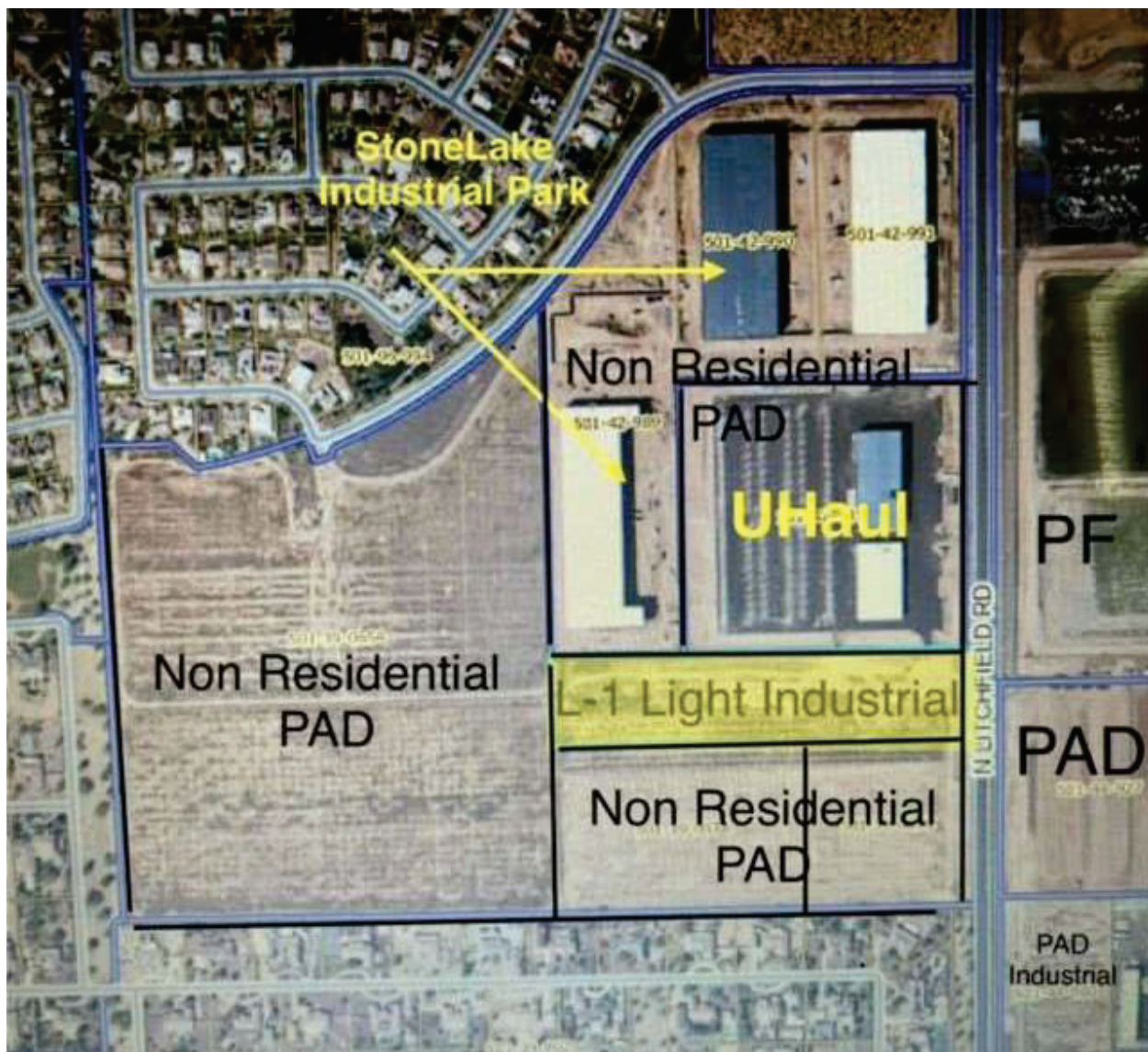


EXISTING AND PROPOSED ZONING

The current zoning is Business Park (BP) and the site is located under the Luke AFB 65 LDN noise contours.

The applicant requests the subject property described in Exhibit A to be rezoned from Business Park (BP) to Light Industrial (I-1) with all permitted and conditional uses within the city's I-1 zoning district and compatible with Luke AFB military operations at the time of development to be allowed.

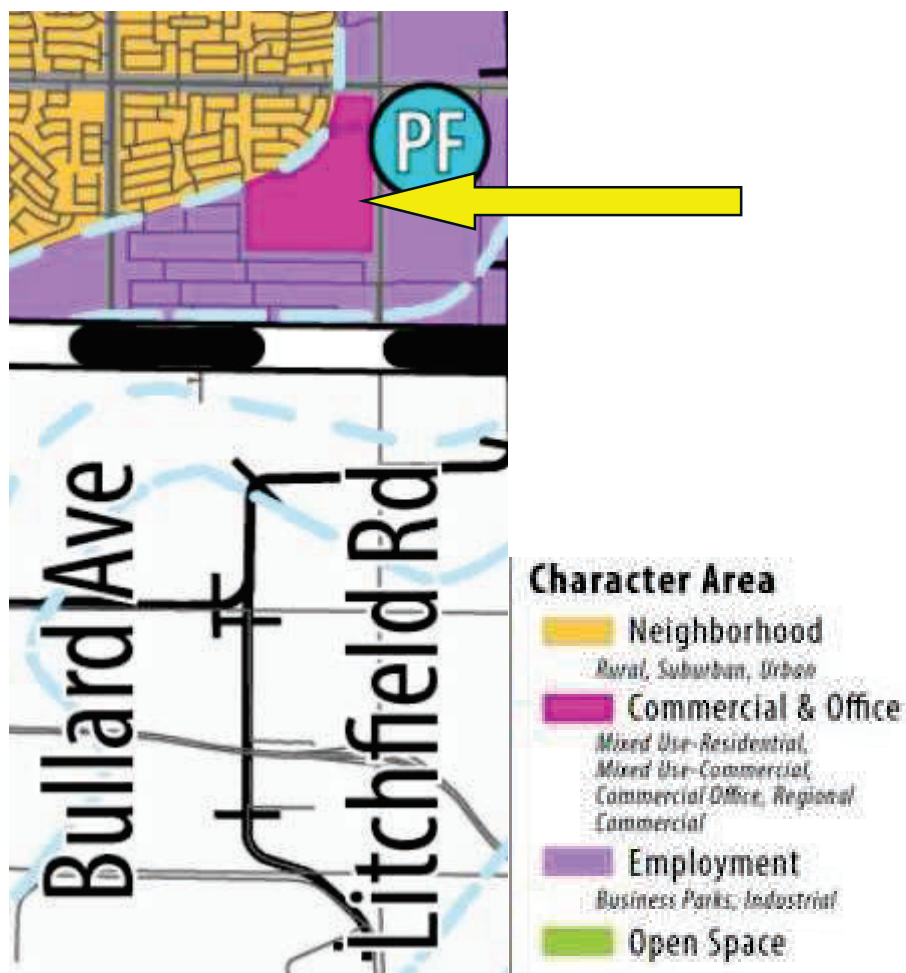
PROPOSED ZONING MAP



GENERAL PLAN CONFORMITY

The General Plan 2040 identifies the subject property being in the "Commercial and Office" Character Area & the Luke Compatibility District (LCD) sub area. Light Industrial uses are encouraged in the LCD.

SURPRISE GENERAL PLAN 2040



DEVELOPMENT PLAN

The owner has no immediate plans to develop the site. Once zoned the property will be “shovel ready” and will be attractive to an end user. A full access drive enters Litchfield Road from the property and will serve as the primary access. At the time the property is developed a southbound right turn deceleration lane will be constructed on Litchfield Road at this project driveway to facilitate safe turning movement.

EXHIBIT A -- LEGAL DESCRIPTION

THAT PORTION OF THE EAST HALF OF SECTION 21, TOWNSHIP 3 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 21, WHICH IS THE NORTHEAST CORNER OF PARCEL ONE OF THE GIFT DEED DATED MAY 24, 1994, AND RECORDED IN DOCUMENT 94-0419715, HEREIN REFERRED TO AS "PARCEL ONE OF THE GIFT DEED"; THENCE SOUTH 00°06'00" EAST (BASIS OF BEARINGS), 2529.33 FEET (SOUTH 00°06'00"E, 2529.94 FEET MEASURED), ALONG THE EAST LINE OF SECTION 21, TO THE SOUTHEAST CORNER OF PARCEL ONE OF THE GIFT DEED, ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00°06'00"E, 105.11 FEET, ALONG THE EAST LINE OF SECTION 21, TO THE EAST QUARTER CORNER OF SECTION 21;

THENCE SOUTH 00°00'00" EAST, 169.89 FEET (SOUTH 00°06'12" EAST. 169.89 FEET MEASURED), ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 21, TO THE NORTHEAST CORNER OF PARCEL TWO OF THE GIFT DEED DATED MAY 24, 1994, AND RECORDED IN DOCUMENT 94-0419715, HEREIN REFERRED TO AS "PARCEL 2 OF THE GIFT DEED";

THENCE NORTH 89°45'07" WEST, 1307.11 FEET (NORTH 89°51'21" WEST. 1307.23 FEET MEASURED), ALONG SAID NORTH LINE OF PARCEL 2 OF THE GIFT DEED TO THE NORTHWEST CORNER OF PARCEL 2 OF THE GIFT DEED;

THENCE NORTH 00°34'48" WEST, 278.38 FEET (NORTH 00°36'36" WEST, 278.36 FEET MEASURED), TO THE SOUTHWEST CORNER OF PARCEL 1 OF THE GIFT DEED;

THENCE SOUTH 89°36'19" EAST, 1309.76 FEET (SOUTH 89°42'30" EAST, 1276.76 FEET MEASURED), ALONG THE SOUTH LINE OF PARCEL 1 OF THE GIFT DEED TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION AS CONVEYED TO THE CITY OF SURPRISE IN WARRANTY DEED RECORDED IN RECORDING NO. 2019-271245 AND BEING MORE

PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF THAT REAL PROPERTY AS CITED IN WARRANTY DEED 2018-0406336, RECORDS OF MARICOPA COUNTY, ARIZONA, BEING LOCATED IN THE EAST HALF OF SECTION 21, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 21;

THENCE ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 21, SOUTH 00°06'00" EAST, 2529.33 FEET TO THE NORTHEAST CORNER OF SAID REAL PROPERTY;

THENCE DEPARTING SAID EAST LINE ALONG THE NORTH LINE OF SAID REAL PROPERTY NORTH 89°36'19" WEST, 33.00 FEET TO THE TRUE POINT OF BEGINNING.

THENCE ON A LINE PARALLEL WITH AND 33.00 FEET WEST OF THE AFORESAID EAST LINE SOUTH 00°06'00" EAST, 104.95 FEET TO A POINT ON THE EAST-WEST MIDSECTION LINE OF SAID SECTION 21;

THENCE ON A LINE PARALLEL WITH AND 33.00 FEET WEST OF THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 21, SOUTH 00°00'00" WEST, 170.13 FEET TO A POINT ON THE SOUTH LINE OF SAID REAL PROPERTY;

THENCE ALONG SOUTH LINE NORTH 89°45'07 WEST, 22.00 FEET;

THENCE ON A LINE PARALLEL WITH AND 55.00 FEET WEST OF THE AFORESAID EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 21, NORTH 00°00'00" WEST, 170.29 FEET TO A POINT ON SAID EAST-WEST MIDSECTION LINE;

THENCE ON A LINE PARALLEL WITH AND 55.00 FEET WEST OF THE AFORESAID EAST LINE OF THE NORTHEAST QUARTER, NORTH 00°06'00" WEST, 104.85 FEET TO A POINT ON THE NORTH LINE OF SAID REAL PROPERTY;

THENCE ALONG SAID NORTH LINE, SOUTH 89°36'19" EAST, 22.00 FEET TO THE POINT OF BEGINNING.



**DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND**

16 September 2024

Mr. Christopher P. Toale
Director, Community Initiatives Team
56th Fighter Wing
14185 West Falcon Street
Luke AFB AZ 85309-1629

Ms. Nichole Flores
Development Services Specialist
City of Surprise Planning Department
16000 N. Civic Center Plaza
Surprise AZ 85374

Re: FS24-1195; Dominion Business Park Rezone (APN: 509-08-885)

Dear Ms. Flores

Thank you for the opportunity to provide comments on the Dominion Business Park Rezone application. The applicant proposes a rezone from business park to Light Industrial for 7.9 acres located at 11294 N Litchfield Road in Surprise, AZ. The site is located inside the Luke AFB 1988 JLUS 65 Ldn "high noise or accident potential zone" as identified by A.R.S. §28-8461 and is within the "territory in the vicinity of a military airport" also defined by A.R.S. §28-8461.

As stated in the narrative, this rezone will not negatively affect Luke AFB operations; however, any proposed buildings, structures or cranes will be subject to the results of an FAA Obstruction Evaluation/Airport Airspace Analysis and Spectrum Analysis (OE/AAA). Since the development will be located within the "territory in the vicinity of a military airport," it will be subjected to approximately 170 over flights a day. We recommend you review the sound attenuation requirements found in A.R.S. § 28-8482. A strong notification program on the part of the applicant is essential to inform potential occupant(s) about Luke AFB operations.

If applicable, it should be noted that certain investments and real estate transactions within the military installation footprint of Luke AFB may be subject to review by the Committee on Foreign Investment in the United States (CFIUS) to determine the effect of such transactions on the national security of the United States. The CFIUS regulations, Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) provisions, and related resources can be found on the Department of the Treasury's website:
<http://www.treasury.gov/cfius>.

If you have any questions, please contact Mr. Mark James at (623) 856-6175.

Sincerely

TOALE.CHRISTOPHER.P.10396
HER.P.1039696165

Digitally signed by
TOALE.CHRISTOPHER.P.10396
96165
Date: 2024.09.16 15:21:59 -07'00'

CHRISTOPHER P. TOALE

cc:

Colonel Matthew Johnston, Deputy Commander, 56th Fighter Wing
Ms. Demetria Themistocles, General Law Attorney, 56th Fighter Wing

Dominion Group of Companies

Mike Stenehjem

480.296.8299

FS24-1195 – Participation Report

The in-person Neighborhood Meeting was held on Wednesday, February 5th, 2025 at 6:00pm at 16418 N Bullard Ave, Surprise, AZ 85374. The purpose of the meeting was to invite citizens to discuss our proposal to re-zone our property located at 11294 N Litchfield Road from BP to LI.

One resident attended the meeting with some general questions on what we are proposing. The resident responded that they understood the reasoning for the re-zone and were satisfied with what was being proposed.

The meeting was adjourned at 6:37pm.

AFFIDAVIT OF SIGN POSTING

Case Number: FS24-1195
Project Name: Dominion Group of Companies Rezone
Project Location: 11294 N Litchfield Rd Surprise AZ 85379
Date Removed: _____

In order to assist in providing adequate notice to interested parties, the applicant for any type of public hearing shall erect two (2) signs providing notice of the date, time, and place of the scheduled hearing(s). These signs must be erected not less than fifteen (15) calendar days prior to the date of the first hearing. The signs shall also include the description of the request as contained on the formal development application. The size and format of this sign shall meet requirements established by the city (see example).

Such notice shall be clearly legible and placed at a prominent location on the site, generally adjacent and perpendicular to the public right-of-way. It shall be the responsibility of the applicant to erect and to maintain the sign on the subject property, as well as the information on the sign, until final disposition of the case.

I confirm that the site has been posted as required, for the case noted above. Photographs of the site posting, and any subsequent changes/updates made to the sign, have also been submitted.

[Signature]
Owner / Application Signatory

1-20-25
Date

This instrument was acknowledged before me this 20 day of January,
20 25 by Kelly Jo Finch

[Signature]
Notary Public

My Commission Expires: 11/21/26







Leslie Carnie

From: Michael Stenehjem <mike@stonehomedev.com>
Sent: Monday, April 21, 2025 2:31 PM
To: Leslie Carnie
Subject: Fw: Sign Posting

Follow Up Flag: Follow up
Flag Status: Flagged

*****The e-mail below is from an external source. Please do not open attachments or click links from an unknown or suspicious origin.*****

Leslie,

Please see the updated dates on the signs in the pictures. Let me know if these work and if you need anything else.

Also want to confirm that the publishing went through and we are set for the 6th.

Thanks,

Mike Stenehjem

Stonehome Development
(480) 296-8299

From: Michael Stenehjem <michael.stenehjem@gmail.com>
Sent: Monday, April 21, 2025 2:24 PM
To: Michael Stenehjem <mike@stonehomedev.com>
Subject: Sign Posting

Notice of Public Hearing City of Surprise

In-Person Neighborhood Meeting Planning & Zoning

City Council

Date: 2/5/25

Date: 3/20/25

Date: 5/6/25

Time: 6pm

Time: 6pm

Time: 6pm

Location: Residence Inn
16418 N Bullard Ave.
Surprise, AZ 85374

Location: Surprise City Hall
15000 N. Oak Center Place
Surprise, AZ 85374

Location: Surprise City Hall
15000 N. Oak Center Place
Surprise, AZ 85374



CASE #: FS24-1195

The applicant is requesting a zoning change from BP to I-1.

For more information, call:

623-222-3011

surpriseaz.gov



Notice of Public Hearing City of Surprise

In-Person Neighborhood Meeting Planning & Zoning

City Council

Date: 2/5/25

Date: 3/20/25

Date: [REDACTED] 5/6/25

Time: 6pm

Time: 6pm

Time: 6pm

Location: Residence Inn
16418 N Bullard Ave.
Surprise, AZ 85374

Location: Surprise City Hall
18000 N. Civic Center Place
Surprise, AZ 85374

Location: Surprise City Hall
18000 N. Civic Center Place
Surprise, AZ 85374



CASE #: FS24-1195

The applicant is requesting a zoning change from BP to I-1.

For more information, call:
623-222-3011
surpriseaz.gov



Michael Stenehjem
 Stonehome Development
 480.296.8299

ORDINANCE # 2025-05

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING A REZONE FROM BUSINESS PARK (BP) TO LIGHT INDUSTRIAL (I-1), GENERALLY LOCATED SOUTH OF THE SOUTHWEST CORNER OF LITCHFIELD ROAD AND CACTUS ROAD.

WHEREAS, this Ordinance was properly noticed for public hearing, and the necessary hearings and opportunity for public input were completed;

WHEREAS, the subject site is generally located south of the southwest corner of Litchfield Road and Cactus Road;

WHEREAS, the subject site is approximately 7.9 acres and is currently zoned Business Park (BP);

WHEREAS, the proposed use of the subject site requires modification of the applicable zoning regulations;

WHEREAS, the proposed rezone to Light Industrial (I-1) satisfies the requirements set forth in Section 106-7 of the City of Surprise Land Development Ordinance;

WHEREAS, this rezone is in harmony with the purposes and intent of the zoning ordinance and the Surprise General Plan; and

WHEREAS, on March 20, 2025, the Planning and Zoning Commission recommended approval of the subject rezoning request.

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

Section 1. Rezoning. The parcel legally described in **Exhibit A** and depicted on **Exhibit B**, known as "Dominion," is rezoned from Business Park (BP) to Light Industrial (I-1) subject to the following stipulations:

- a. Development and use of the site shall be consistent with the Zone Change narrative entitled "I-1 Light Industrial Rezone Document Case No. FS24-1195," as prepared by Dominion Group of Companies, LLC, and received by the City on November 25, 2024.
- b. Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the applicable provisions of the Surprise Municipal Code.

Section 2. *Amendment of Zoning Map.* The City of Surprise zoning map is herewith amended to reflect the change in districts referred to in Section 1 above.

Section 3. *Codification.* This Ordinance is not of a general nature and shall not be codified.

Section 4. *Repeal of Conflicting Ordinances.* All ordinances or parts of ordinances in conflict with the provisions of this Ordinance, or any part of the Code adopted herein by reference, are hereby repealed upon the effective date of this Ordinance.

Section 5. *Severability.* If any section, subsection, sentence, clause, phrase, or portion of this Ordinance 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 portions thereof.

Section 6. *Effective Date.* This Ordinance shall become effective at the time and in the manner prescribed by law.

PASSED AND ADOPTED this _____ day of _____ 2025.

Kevin D. Sartor, Mayor

Attest:

Approved as to form:

Kristi Passarelli, City Clerk

Jeffrey Murray, Acting City Attorney

EXHIBIT A
LEGAL DESCRIPTION FOR PROPERTY

**LEGAL DESCRIPTION
EXHIBIT A**

APN 509-08-885

THAT PORTION OF THE EAST HALF OF SECTION 21, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 21, WHICH IS THE NORTHEAST CORNER OF PARCEL ONE OF THE GIFT DEED DATED MAY 24, 1994 AND RECORDED IN DOCUMENT NO. 94-0419715, HEREIN REFERRED TO AS "PARCEL ONE OF THE GIFT DEED";

THENCE SOUTH 00 DEGREES 06 MINUTES 00 SECONDS EAST (BASIS OF BEARINGS), 2634.99 FEET ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 21, TO THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER;

THENCE NORTH 89 DEGREES 26 MINUTES 01 SECONDS WEST, 55.00 FEET ALONG THE EAST-WEST MID SECTION LINE OF SAID SECTION 21, TO THE **POINT OF BEGINNING**;

THENCE SOUTH 00 DEGREES 06 MINUTES 10 SECONDS EAST, 170.17 FEET ALONG A LINE 55.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 21;

THENCE NORTH 89 DEGREES 51 MINUTES 17 SECONDS WEST, 1252.03 FEET, ALONG SAID NORTH LINE OF PARCEL 2 OF SAID GIFT DEED TO THE NORTHWEST CORNER OF PARCEL 2 OF SAID GIFT DEED;

THENCE NORTH 00 DEGREES 40 MINUTES 57 SECONDS WEST, 278.32 FEET (NORTH 00 DEGREES 34 MINUTES 48 SECONDS WEST, 278.38 FEET, RECORD), TO THE SOUTHWEST CORNER OF PARCEL 1 OF SAID GIFT DEED;

THENCE SOUTH 89 DEGREES 42 MINUTES 25 SECONDS EAST, 1254.87 FEET, ALONG THE SOUTH LINE OF PARCEL 1 OF SAID GIFT DEED TO A POINT 55.00 FEET WEST OF THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 21;

THENCE SOUTH 00 DEGREES 06 MINUTES 10 SECONDS EAST, 104.88 FEET TO THE **POINT OF BEGINNING**.

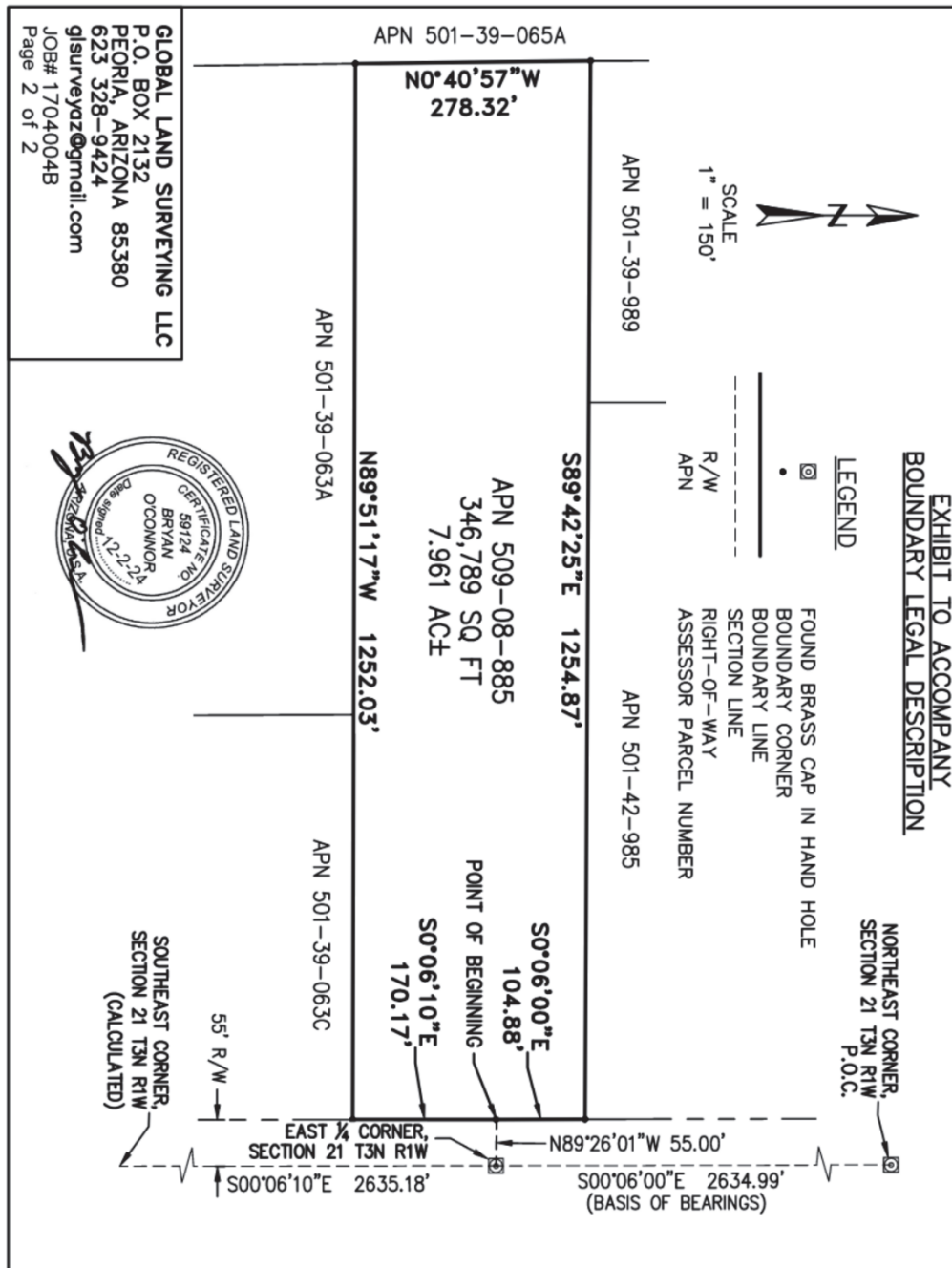
SAID PARCEL CONTAINS 346,789 SQ.FT. OR 7.961 ACRES, MORE OR LESS AND IS SUBJECT TO ANY EXISTING EASEMENTS, RESTRICTIONS, RIGHTS-OF-WAY OF RECORD OR OTHERWISE.

PREPARED BY: GLOBAL LAND SURVEYING LLC
P.O. BOX 2132
PEORIA, AZ 85380
PROJECT NO. 1704004B



Page 1 of 2

EXHIBIT B
DEPICTION OF THE PROPERTY TO BE REZONED



FS24-1195

Dominion

REZONE

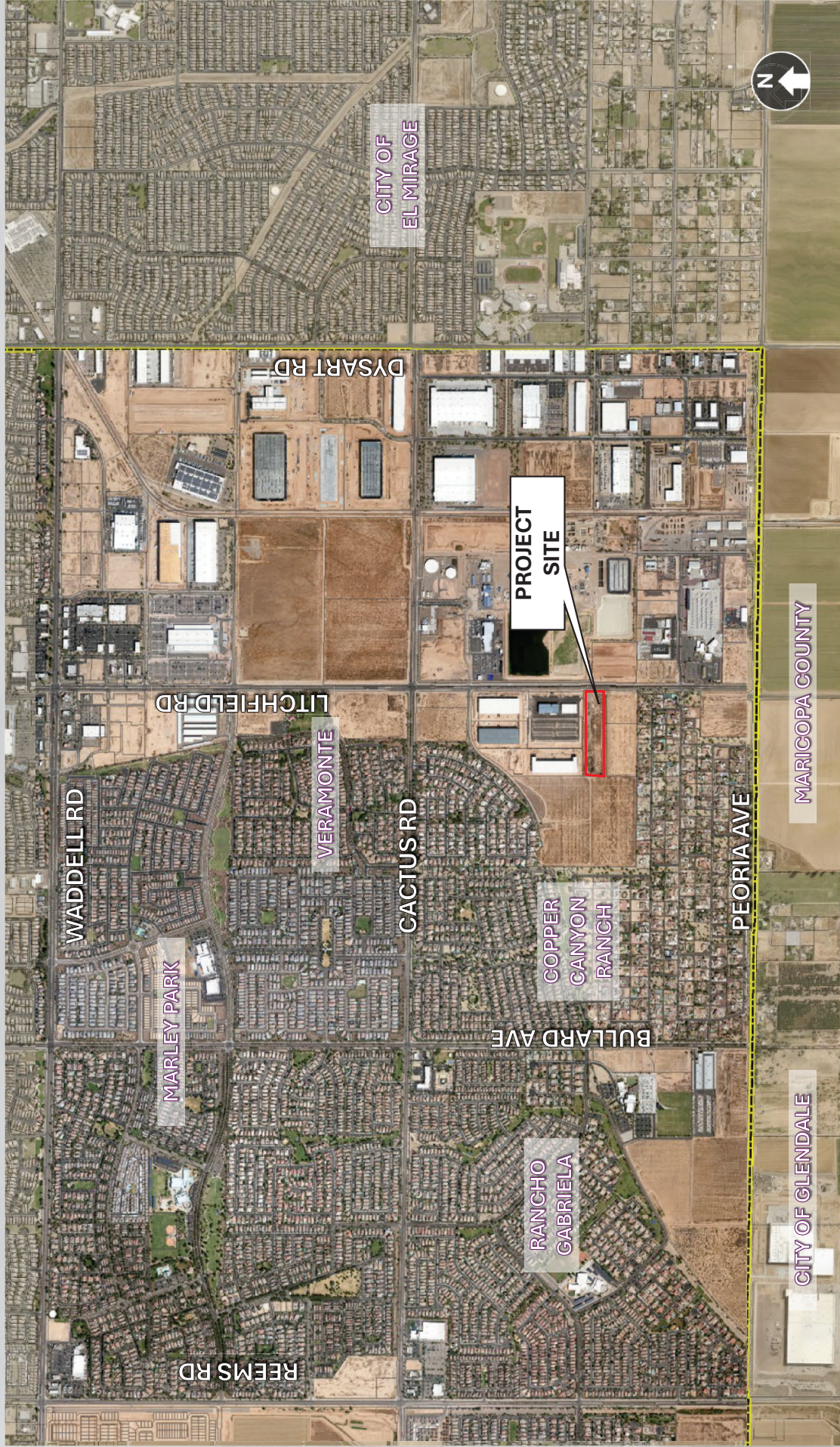
City Council
May 06, 2025



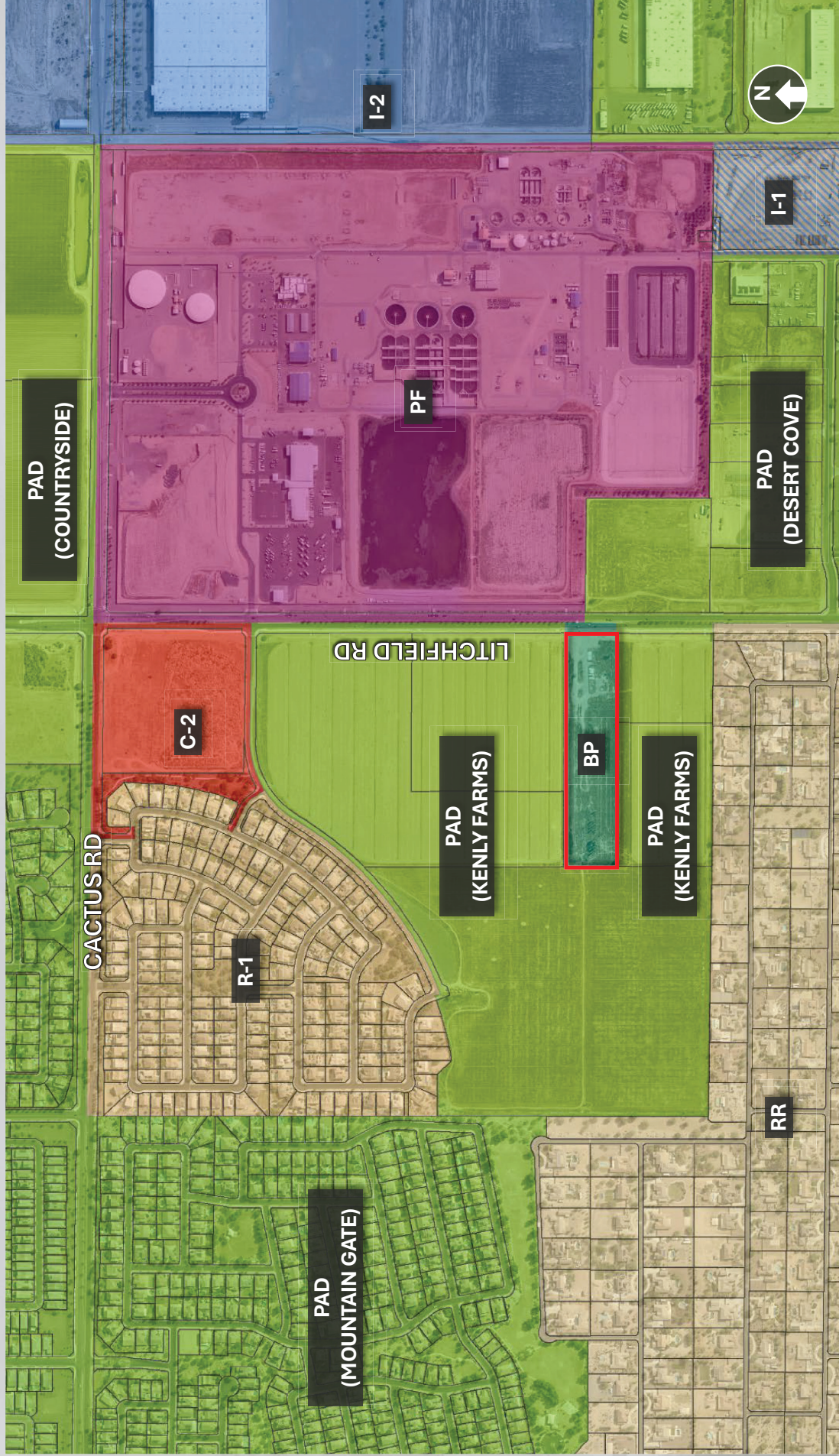
SURPRISE

ARIZONA
Page 297 of 311

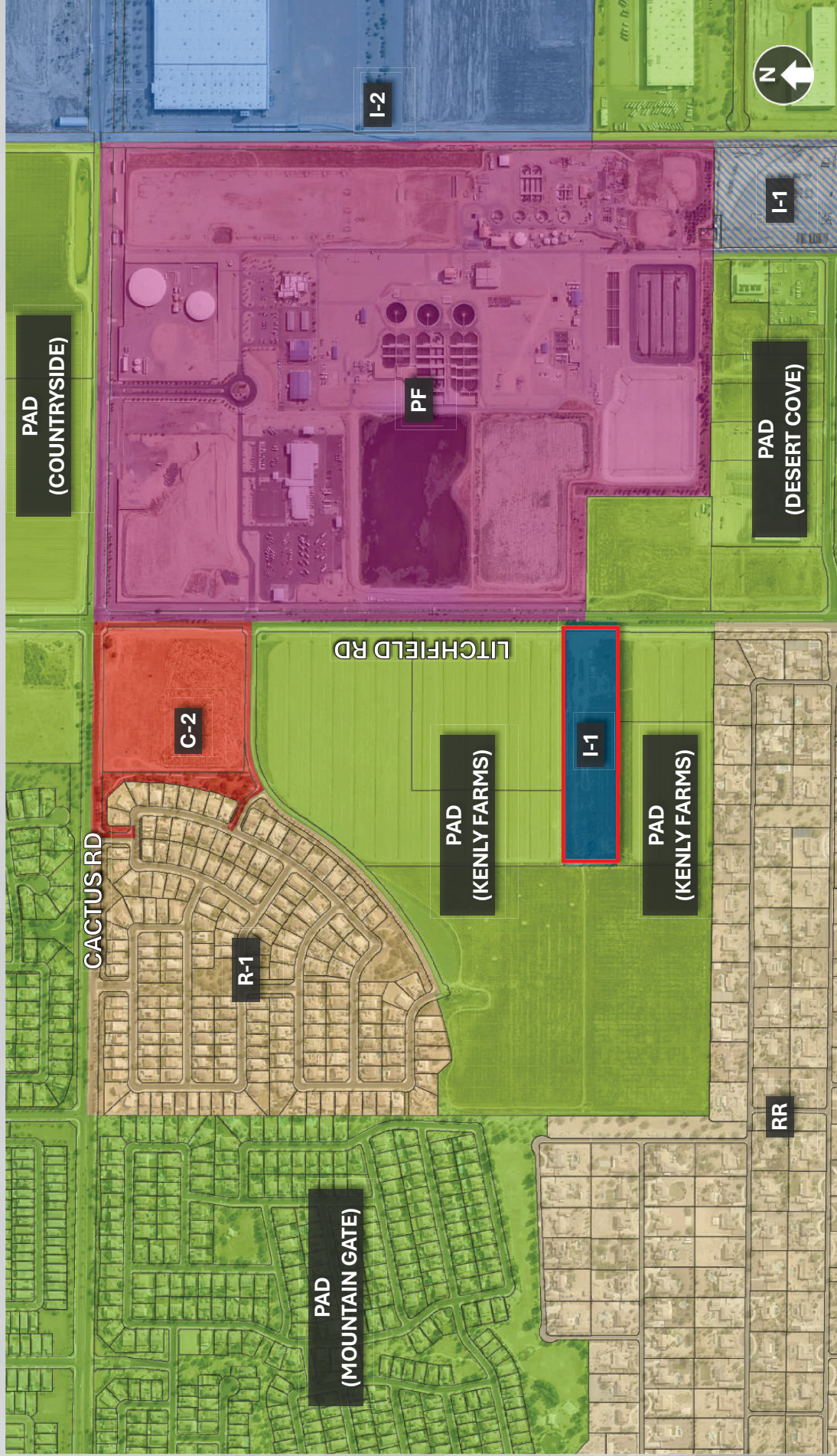
VICINITY MAP



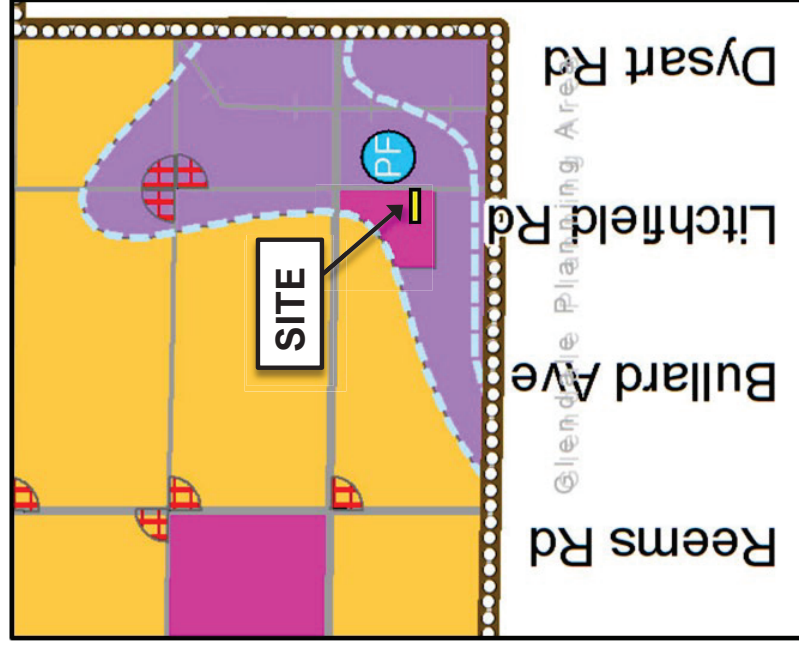
ZONING MAP



PROPOSED ZONING MAP



GENERAL PLAN



Legend

Character Area

- Neighborhood**
Rural, Suburban, Urban
- Commercial & Office**
*Mixed Use-Residential,
Mixed Use-Commercial,
Commercial Office, Regional
Commercial*
- Employment**
Business Parks, Industrial
- Open Space**

Character Sub Area

- Rural Residential Overlay
- Luke Compatibility District
- Scenic Lands Development
- Surprise Center District
- Surprise Heritage District
- Transit Oriented Development District
- Aggregate Resource Area

DEVELOPMENT STANDARDS

Table 106-7a—Employment Zoning Districts

	Current	Proposed		
	BP	I-1	I-2	I-3
Minimum lot area	20 acres ⁶	20,000 sf	5 acres	40 acres
Min. setback to arterial ROW	35	35	35	50
Min. setback to collector and local ROW (ft)	25	35	35	50
Min. setback adjacent to residential zoning (ft)	75 ¹	50 ²	75 ¹	150 ³
Min. setback adjacent to non-residential zoning (ft) ⁴	15	15	25	50
Max. bldg. height (ft) ⁵	45	40	85	40

Notes:

1. May be reduced to 15 feet when the development provides a 45 feet or greater landscape *buffer* "tract" with a public *access* easement to allow paths or trails that may connect to the city open trails system.
2. May be reduced to 15 feet when the development provides a 30 feet or greater landscape *buffer* "tract" with a public *access* easement to allow paths or trails that may connect to the

OUTREACH

Neighborhood Meeting

- February 05, 2025
- **Residence Inn**
16418 N Bullard Ave.
- 2 attendees

RECOMMENDATION

On March 20, 2025 the P&Z Commission recommended approval/denial to the Mayor and City Council, subject to stipulations ‘a’ - ‘b’.

Questions or Comments?

THANK YOU



SURPRISE

ARIZONA
Page 305 of 311

STIPULATIONS

- a. Development and use of the site shall be consistent with the Zone Change narrative entitled “I-1 Light Industrial Rezone Document Case No. FS24-1195, prepared by Dominion Group of Companies, LLC, and received November 25, 2024.
- b. Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the applicable provisions of the Surprise Municipal Code.

EMPLOYMENT USES

Business Park (BP) & Light Industrial (I-1)

	Auction— vehicle	Contract or yard	Data center	Feed and tack sales	Fleet-based services	Food manufacturing and processing	Freight depot/distribution center	Grain processing	Laundry, dry cleaning, bulk operation	Machine shop, welding shop	Manufacturing and fabrication	Recreational Vehicle sales and service	Plant nursery (growing facility and wholesale)	Printing plant (commercial scale)	Recycling, collection facility	Research facility— laboratory and testing	Taxidermist	Truck stop (full service and repair permitted)	Warehouse/ distribution	Wholesale shopping establishment
BP			P			CUP	CUP			P	P			P		P				P
I-1	P	P	P	P	P	P	CUP	P	P	P	P	P	P	P	P	P	P	P	P	P



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 6, 2025

Contact Person: Joesette Frausto, HUMAN
RESOURCES MANAGER

Submitting Department: Human Resources

District: Internal

Staff Recommendations: None

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to candidates for appointment to the position of City Attorney.

Motion:

Any motion will be dependent on the discussions that occur within the noticed executive session.

Background:

Pursuant to A.R.S. 38-431.03(A)(1), candidates have been provided with written notice of the intent to consider and discuss their respective applications in executive session. Candidates may request that the review and discussion of their application occur in the public meeting instead of executive session. This item has been placed on the agenda so that the City Council may publicly discuss any candidates who may request that discussion and consideration of their application occur in a public meeting. After an executive session to consider and discuss candidates for the position of City Attorney, if one occurs, City Council may take legal action or provide direction to city staff pertaining to the next actions to be taken in the appointment process.

Objective Analysis:

This item is necessary to comply with Arizona's open meeting laws if council decides to take action pertaining to the candidates for the City Attorney position.

Policy Compliant:

This item complies with A.R.S. 38-431 et seq. and Surprise Municipal Code Sec. 2-140 et seq. as it pertains to appointment of the City Attorney.

Financial Impact:

There is no anticipated financial impact related to this item.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels as this is a replacement for a current budgeted position.

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action to recess into executive session to discuss and consider final candidates for appointment to the position of City Attorney pursuant to A.R.S. 38-431.03(A)(1).

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 6, 2025
Submitting Department: Legal
Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Recess into executive session pursuant to A.R.S. § 38-461.03(A)(3)(4) for the purpose of receiving legal advice regarding eminent domain and considering its position in contemplated litigation and potential settlement discussions.

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:
