

**REGULAR MEETING OF THE COMMON COUNCIL
OF THE CITY OF EL MIRAGE
EL MIRAGE CITY COUNCIL CHAMBERS
14010 N. EL MIRAGE ROAD
5:00 P.M. TUESDAY, JULY 1, 2014**

Minutes

I. ROLL CALL

Present: Mayor Lana Mook, Vice Mayor Joe Ramirez, Councilmember Roy Delgado (Arrived at 5:22 PM), Councilmember Jim McPhetres, Councilmember Jack Palladino, Councilmember Lynn Selby, Councilmember David Shapera

II. CALL TO ORDER

Mayor Mook called the meeting to order at 5:02 PM

Pledge of Allegiance – Cub Scout Drake Goodsell assisted with the Pledge of Allegiance
Moment of Silence

III. STATE OF THE CITY ADDRESS – MAYOR MOOK

See Attached

The meeting was recessed at 5:31 PM and reconvened at 5:36 PM.

IV. PROCLAMATION

P1. Proclamation to support Drowning Impact Awareness Month, August, 2014 (Fire)

Acting Fire Chief Jim Wise presented the Proclamation calling for August 2014 to be proclaimed Drowning Impact Awareness Month. The Proclamation's purpose is to increase awareness for the necessity of residents to understand how to prevent child drowning tragedies. From January 1, 2014 to June 19, 2014 there were 27 deaths including 11 children that were a direct result of 72 water related incidents in Arizona. The three major recommendations for drowning prevention are fences, swimming lessons and supervision.

Mayor Mook proclaimed August 1 – 31 2014 as Drowning Impact Awareness Month.

V. PLANNING & ZONING COMMISSIONERS – OATH OF OFFICE

P2. Oath of Office presentation for re-appointed Planning & Zoning Commissioners to a two-year term, July 1, 2014 – June 30, 2016. (City Clerk)

City Clerk Sharon Antes presented the Oath of Office to Bob Jones and Monica Dorcey for their respective re-appointment to the Planning & Zoning Commission. Their 2-year terms begin July 1, 2014 and end June 30, 2016.

VI. CALL TO THE PUBLIC

Citizens desiring to speak on a matter that IS NOT on this agenda may do so at this time. Comments shall be limited to three (3) minutes per person and shall be addressed to the City Council as a whole. At the conclusion of the Call to the Public, individual City Council Members may (1) respond to criticism made by those who have spoken (2) direct staff to review or respond to the matter, and/or (3) direct that the matter be put on a future agenda.

No Comment Cards were received.

VII. CONSENT AGENDA

All items listed under the Consent Agenda will be voted on with one motion. If discussion is desired regarding any Consent Agenda Item, that item will be removed from the Consent Agenda and voted on separately.

- I. Consideration and action to approve minutes of the Workshop and Regular Council Meeting held Tuesday, June 17, 2014. (City Clerk)

Vice Mayor Ramirez moved to accept all items listed on the Consent Agenda as presented; seconded by Councilor Delgado. Motion carried (6/0). Councilor Shapera abstained due to his absence from the June 17, 2014 Council Meeting.

VIII. REGULAR AGENDA

- A. Consideration and action to approve the Intergovernmental Agreement between the Arizona Department of Public Safety and the City of El Mirage regarding the State Gang Task Force position. (Police Chief)

Assistant Police Chief Terry McDonald reported the State Gang Task Force has had a contract with the City for five years and he encouraged Council to approve this Intergovernmental Agreement (IGA) extension with the Arizona Department of Public Safety.

Vice Mayor Ramirez moved to approve the Intergovernmental Agreement with the Arizona Department of Public Safety regarding the State Gang Task Force position; seconded by Councilor Delgado. Motion carried unanimously (7/0).

- B. Consideration and action to approve Resolution R14-07-16 to temporarily suspend City Code §130.01 to allow alcoholic beverages to be served and consumed at specific City of El Mirage Special Events for the 2014/2015 event season. (Administration)

Intergovernmental and Public Relations Manager Amber Wakeman explained this temporary suspension will allow alcoholic beverages to be served at City sponsored events in FY 2014/15 and the four specific events are the Hispanic Heritage Fiesta, Cinco de Mayo, Fall Festival Carnival and the El Mirage Car Show and Tamale Fest.

Vice Mayor Ramirez moved to approve Resolution R14-07-16 to temporarily suspend City Code §130.01 to allow alcoholic beverages to be served and consumed at specific City of El Mirage Special Events for the 2014/2015 event season; seconded by Councilor Delgado. Motion carried unanimously (7/0).

- C. Public hearing, closure of public hearing, followed by Council's consideration and action to approve Ordinance O14-07-06 amending the City Zoning Code, Section §154.052, Permitted Use by Zone, Medical Marijuana per A.R.S., and declaring an emergency. (Development & Community Services)

GIS/Development Services Coordinator Jose Macias provided information regarding the current ordinance which provides for medical marijuana in seven of the nine zoning districts. There are no code provisions to prevent marijuana manufacturing facilities from locating right next to each other. This ordinance would allow marijuana production in the EI portion (southern portion) of the City. Staff also recommends additional restrictions for facilities next to churches, residential areas, schools or public facilities and a one mile distance restriction between facilities. There are currently four sites.

Councilor McPhetres and Councilor Shapera expressed concern about the ability for retail sales to be located in other areas of the city, such as shopping centers similar to any other business. Councilor McPhetres stated he believed dispensary licenses were already regulated by the state. Councilor Shapera wanted clarification and distinction between dispensary businesses and cultivation growing centers. Dr. Isom reported there have been numerous complaints with regard to odor from the current locations and Mayor Mook advised that she had witnessed the odors on an inspection drive with Chief Campbell. Council Delgado asked whether scrubbers were required to be placed on vents and whether the City was receiving enough tax income from these businesses. He was informed that filters do exist for control of odors but since there was no Conditional Use process for these businesses, after-the-fact compliance was harder to achieve than initial code restrictions; staff will continue to seek cooperation from existing facilities. He was also advised that tax revenue is realized from property taxes but no sales tax. Finance Director Robert Nilles will investigate and provide more information to Council on this matter.

Councilor Shapera moved to approve Ordinance O14-07-06 amending the City Zoning Code, §154.052, Permitted Use by Zone, Medical Marijuana with an amendment to include restriction on growing facilities but not restrictive of retail sales, and declaring an emergency; seconded by Councilor Delgado. (Attorney Hall will adjust the wording in the Ordinance in accordance with state statute and intent of the amendment. A roll-call vote, as follows, was required to declare an emergency):

Roll Call Vote:	Councilor David Shapera	Yes
	Councilor Lynn Selby	Yes
	Councilor Jack Palladino	Yes
	Councilor Jim McPhetres	Yes
	Councilor Roy Delgado	Yes
	Vice Mayor Joe Ramirez	Yes
	Mayor Lana Mook	Yes

Motion carried unanimously (7/0).

- D.** Consideration and action to reject the bids received for the Lower El Mirage Basin Lighting, Project No. EM13-ST05. (Development & Community Services)

Development and Community Services Director Jorge Gastelum reported the bid opening was June 12, 2014 and two bids were received. The base bid was for poles and fixtures but not installation. The Alternate A bid included installation. Alternate B asked for precast rather than cast-in-place. On review of the bids, both were larger than the engineering estimate. For cost savings, staff recommended re-bidding for poles and fixtures separately and with staff installation, there could be a cost savings of \$50,000 to \$90,000. Councilor McPhetres asked if it would be better to use solar lights rather than the hard-wired. Mr. Gastelum and Dr. Isom both stated that the proposed project was, in fact, solar and not hard-wired which would be difficult and costly in a retention park likely to be flooded at certain times of the year.

Vice Mayor Ramirez moved to reject the bids received for the Lower El Mirage Basin Lighting, Project No. EM13-ST05; seconded by Councilor Delgado. Motion carried unanimously (7/0).

IX. CITY MANAGER SUMMARY OF CURRENT EVENTS

The City Council may not discuss or act upon any matter in the City Manager's summary unless the specific matter is properly noticed for legal action.

Dr. Isom reported the Northwest Valley Family YMCA Grand Opening and Ribbon Cutting Ceremony will be held at the new facility July 2nd at 9:30 AM.

The City of El Mirage was the recent recipient of two awards at the Annual Desert Peaks Awards dinner held last Wednesday, June 25, 2014. Both awards were for regional participation. The first was for Phase One of the Northern Parkway Project in the Public Partnership category which demonstrated a commitment to regionalism through public sector or public-nonprofit partnership. The second was for being a Valley Partner in the Luke Forward Campaign in the Outstanding Economic Development Champion category which demonstrated a commitment to creating an environment conducive to promoting regional economic development.

The Fire Department was awarded a grant for a state-of-the-art thermal imaging camera valued at approximately \$10,000 by the Firehouse Subs Public Safety Foundation. The camera allows firefighters to enter enclosed areas with low visibility to locate victims and sources of fire ignition. Grants Administrator Pat Gregan was commended for her hard work on this project.

Human Resource Director Sandy King introduced new employee Vicki Chavez. Ms. Chavez reported she is delighted to be with the Human Resource Department at El Mirage. She has a Bachelor of Science degree in Business Information Systems. She and her husband moved here from San Diego and she has 10 years of experience in human resources in Arizona.

X. MAYOR'S COMMENTS and COUNCIL SUMMARY OF CURRENT EVENTS

The Mayor and City Council may not discuss or act upon any matter in the summary unless the specific matter is properly noticed for legal action.

Councilor McPhetres reported that Dysart High School recently received national recognition for the HOSA Program. Student Madison Williams also received individual recognition that was equal to or higher than the school award. He stated these awards demonstrated improvements to the Dysart school system.

Councilor Shapera stated he saw the Dysart Road median landscape improvements by Public Works and appreciates their efforts.

Councilor Delgado reported that recently he lost a cousin to drowning and so the drowning safety awareness hits pretty close to home and hopes everyone has a safe and happy 4th of July.

Vice Mayor Ramirez explained he will not be able to be at the YMCA Grand Opening but he is thrilled to see so many parking at the YMCA. He is very excited we have this facility here.

Mayor Mook is looking forward to the YMCA Grand Opening on July 2, 2014 and wished everyone a safe 4th of July.

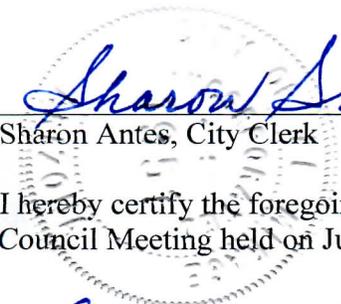
XI. ADJOURNMENT

Mayor Mook adjourned the meeting at 6:23 P.M.



Lana Mook, Mayor

ATTESTED:



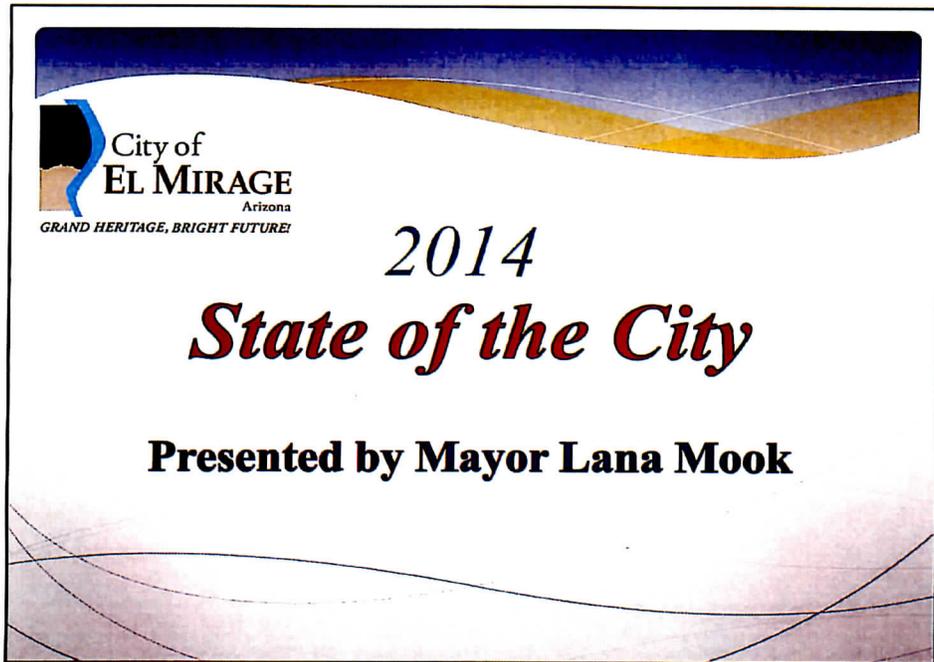
Sharon Antes

Sharon Antes, City Clerk

I hereby certify the foregoing minutes are a true and accurate record of the City of El Mirage Regular Council Meeting held on July 1, 2014 and a quorum was present.

Sharon Antes

Sharon Antes, City Clerk

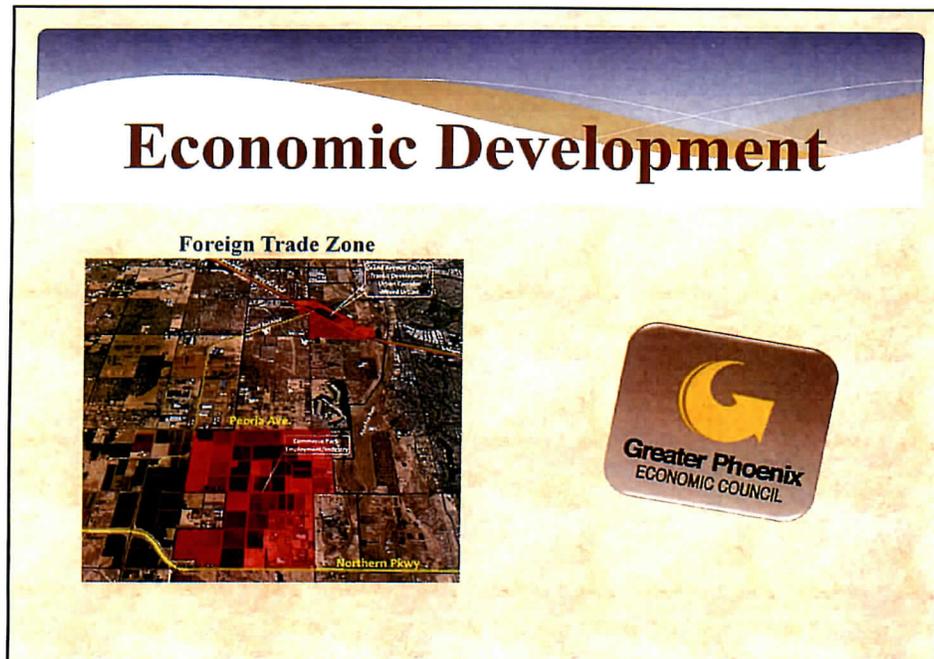


Distinguished members of the El Mirage City Council, Dr. Isom, residents, guests, and staff - Good afternoon. Thank you for attending this meeting, which allows me the honor of presenting the ***2014 City of El Mirage State of the City Address***.

Before I begin my presentation, I wanted to express my sincere appreciation to our citizens who, no matter where I am . . . at a meeting, a special event, the grocery store, or just about anywhere, have willingly shared with me their collective belief that our City continues to move in the right direction. Although we may not always agree on the various paths to progress, it is that progress that has come to define our community. Everyone who lives and works in El Mirage should be proud of how far this City has come in recent years. Our continued success hinges on remaining true to our conviction that El Mirage will no longer accept being an unremarkable place with an uncertain future.

Our City's population during the last decade has more than quadrupled to just over 32,000 residents currently. Such unprecedented growth has signaled extraordinary needs for jobs, services, infrastructure, and activities to provide for the rich tapestry of newcomers who now call El Mirage home. For these residents, as well as those who have lived here years longer, I would like to highlight in the following slides what this Council and City management has been striving to bring to fruition on your behalf.

Economic Development

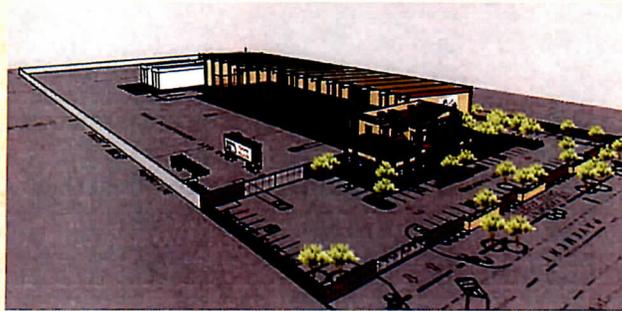


This past September, El Mirage became part of a multi-city collaborative in the West Valley known as the **Greater Maricopa Foreign Trade Zone**. The zone is a government-designated site where foreign and domestic goods may be stored, assembled, or exhibited for sale without being subjected to U.S. Customs duties and excise taxes. Reductions in these fees are very beneficial for U.S. businesses engaged in eligible import/export activity or international commerce. The lower red section on the map shown here is our Foreign Trade Zone, which consists of approximately 400 acres between Peoria Avenue and Northern Parkway, zoned for commercial and industrial use.

In December, the City initiated a strategic partnership with the Greater Phoenix Economic Council or **GPEC**. GPEC is a regional, award winning economic development organization representing 23 communities in the Greater Phoenix area. It is the leading business attraction entity in Arizona responsible for 27 new locations, more than 3,300 jobs, and \$148 million in payroll in FY 2014 alone. City leaders feel this collaboration places us in the best possible position for attracting new, non-retail based industries.

Economic Development

Dakota Fabricating



Dakota Fabricating opened its new headquarters here in late 2013 at 12519 West Butler Drive, in the City's Foreign Trade Zone. Dakota specializes in fabricating Aggregate and Mining equipment such as crushers and feeder bins. The firm is on track to become the fifth largest employer in El Mirage just behind Parks & Sons, employing 60 people initially, with intentions to hire up to 250 employees in the future. The new facility has a single story 40,000 square foot metal shop and a two story, 7,500 square foot office.

Economic Development



Retail

Retail expansion in El Mirage is a significant economic driver because of its potential for generating tax revenues, creating jobs, and drawing new visitors and residents to our community. In recent years, several new retailers – most representing national chains – have located to El Mirage including Valero, Auto Zone, and Aaron's Rents.

This year, Family Dollar will be constructing an 8,300 square foot store at 12101 West Thunderbird. We are also in discussions with Dairy Queen and awaiting a site plan for review. Dairy Queen is interested in opening a location on El Mirage Road across from Gateway Park.

We are also actively seeking small business owners throughout the Valley such as Windy City Dogs, persuading them to consider El Mirage for both new business locations, as well as business expansion.

Economic Development



New Home Construction
Lennar Homes

Home construction has been a cornerstone of our City's economic sustainability for many years, and this remains true today. Lennar Homes, a national home builder for more than 55 years, recognized the tremendous business potential El Mirage offered in terms of new housing start-ups and brokered the purchase of 83 single-family lots with the City Council in mid-2012. The lots were purchased as an infill project to complete build-out of Montecito Estates. In December 2013, Lennar also purchased 93 additional home sites to complete Phase 4 of the Thompson Ranch development.

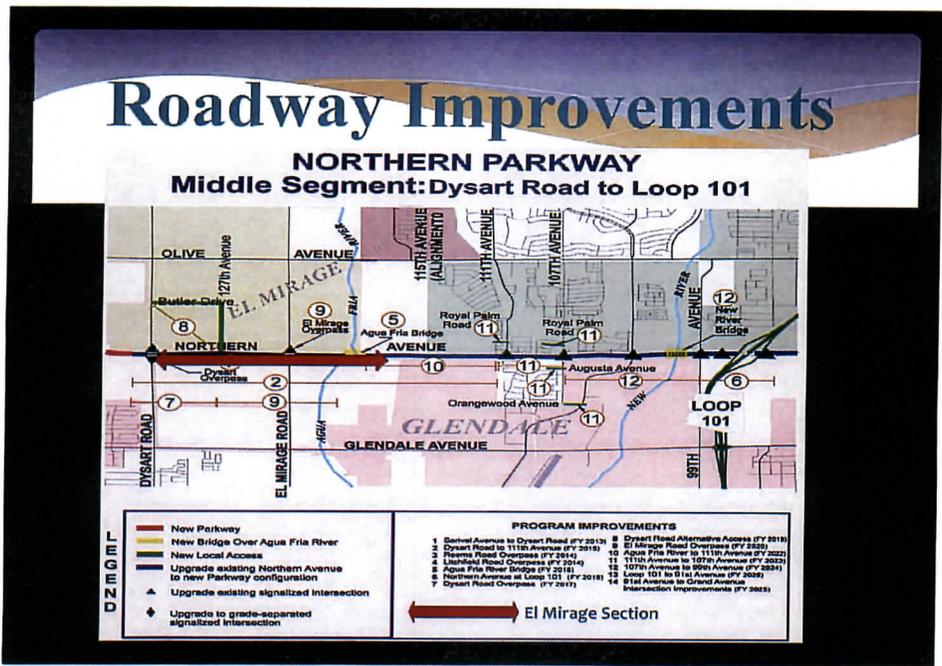
The average cost and square footage of homes in Lennar's two developments is \$159,000 and 2,100 square feet. Sales tax from construction of these 176 homes is projected to be \$500,000, and the homes are expected to add an estimated \$20 million in property value to the City upon their completion.

Roadway Improvements



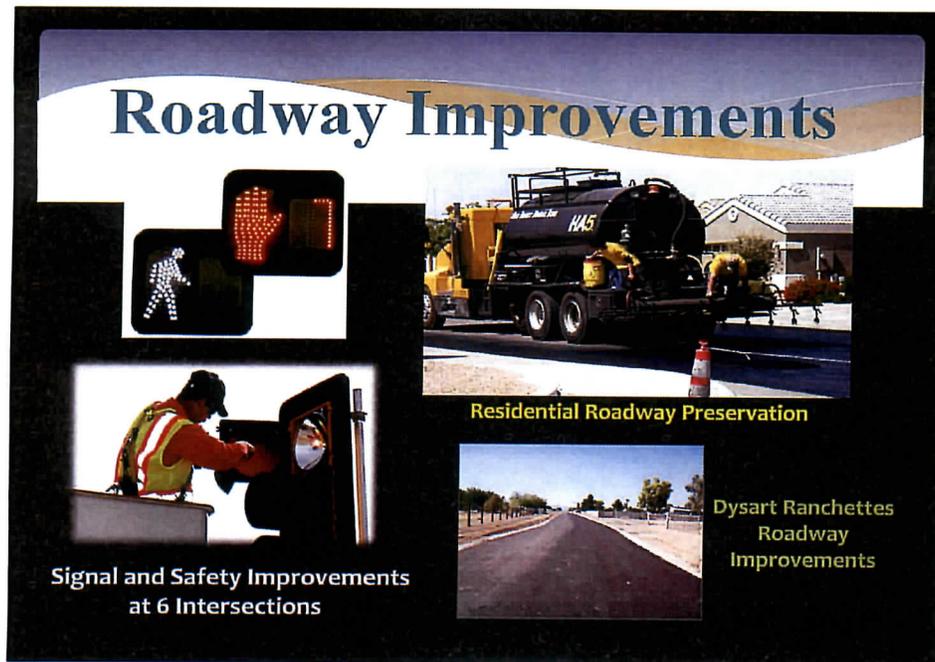
Today, El Mirage is positioned as a major stakeholder in roadway improvements having regional significance for the Northwest Valley. Thanks to the City's partnership with the County Department of Transportation, **El Mirage Road** will be widened to three lanes in each direction from Northern Avenue to Gateway Park, and to two lanes in each direction from Gateway Park to Thunderbird Road. North of Thunderbird, El Mirage will remain one lane in each direction. The Federal Highway Administration recently granted permission for 9 miles of green bike lanes along Thunderbird Road and Grand Avenue to be added to the project scope. These bike lanes bring both vitality and an additional measure of safety to City streets. Completion of all these roadway improvements is expected by the end of 2017 at a cost of approximately \$54.7 million. This includes a City share of \$6.4 million, which is being financed through a previous, voter-approved bond.

If you've ever maneuvered through the intersection where **Grand, Thunderbird, and Thompson Ranch Road** come together, I'm sure you'd agree that doing so is challenging at best. The City is currently working with the Arizona Department of Transportation to finalize a new configuration at the intersection, depicted here on the right. The project has already been vetted through public comment. It will be financed with an estimated \$10 million in federal highway funds, with no City capital outlay. We expect project completion some time in 2015.



El Mirage continues to be a strong supporter of **Northern Parkway** completion, which will have entrance and exit ramps at both El Mirage Road and Dysart Road, and will connect Loop 101 to Loop 303. The Parkway will also provide an alternative route to the I-10, Grand Avenue, and Bell Road. Northern Parkway is a joint venture involving El Mirage, Maricopa County, Glendale, and Peoria as vested partners.

The importance of Northern Parkway for the City's future growth and sustainability cannot be understated. Ultimately, a decade or more from now, Northern Parkway will represent a key corridor for the region's commercial and industrial development, job creation, higher property values, and an enhanced quality of life for all of us.



With primary funding secured through the federal Congestion Mitigation and Air Quality program, the City will be **modernizing existing signals** and upgrading safety features at six major intersections. They include:

- Thunderbird Road at 129th Avenue, Thunderbird at El Mirage Road, Cactus at El Mirage Road, Cactus at Dysart Road, Olive Avenue at El Mirage Road, and Olive at Dysart Road.

Signal improvements include pedestrian signals as shown here, audible pedestrian push buttons, and preemption devices for emergency vehicle pass-through.

One of the current Council's early goals was to find a way to extend the life of El Mirage streets to enhance their safety, appearance, and to help mitigate future maintenance costs. Staff found the solution in 2012, identifying a **mineral bond process** that has proven to be highly effective and cost effective. El Mirage was the first Arizona city to implement mineral bonding and many other communities are following suit.

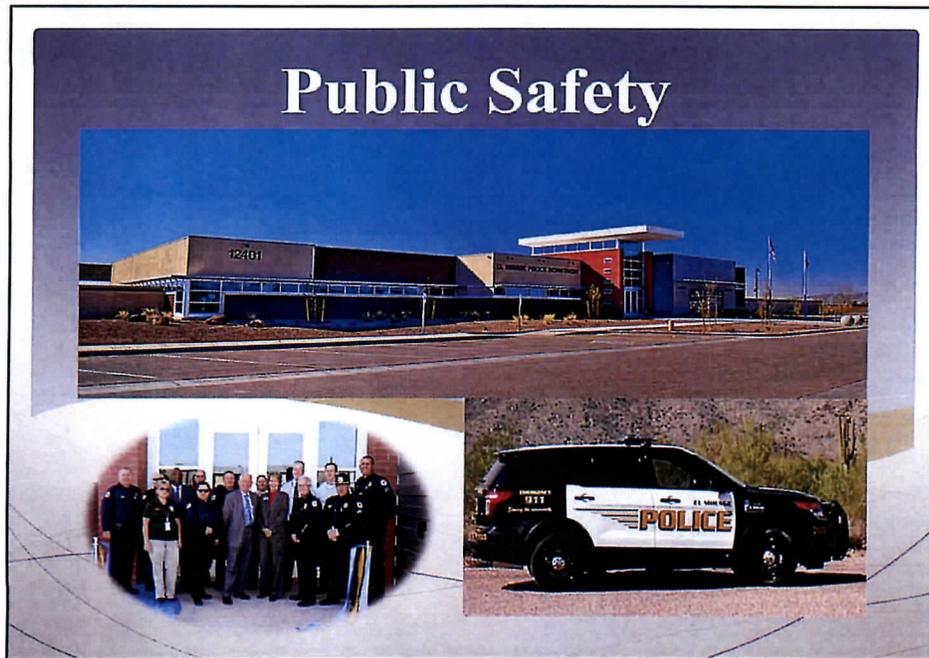
2012 also marked the first time El Mirage developed a comprehensive Pavement Maintenance Program, which divides the City into 24 maintenance districts and assists in scheduling and budget forecasting to sustain residential roadways. The slide shows one of the roadways in the Dysart Ranchettes improved recently under the maintenance program.



Last year, the City inaugurated a new **Wayfinding Sign Program** to assist business patrons and motorists in locating City facilities and local businesses. City staff performed a cost-benefit analysis and identified significant cost savings by implementing and administering the program in house rather than outsourcing it.

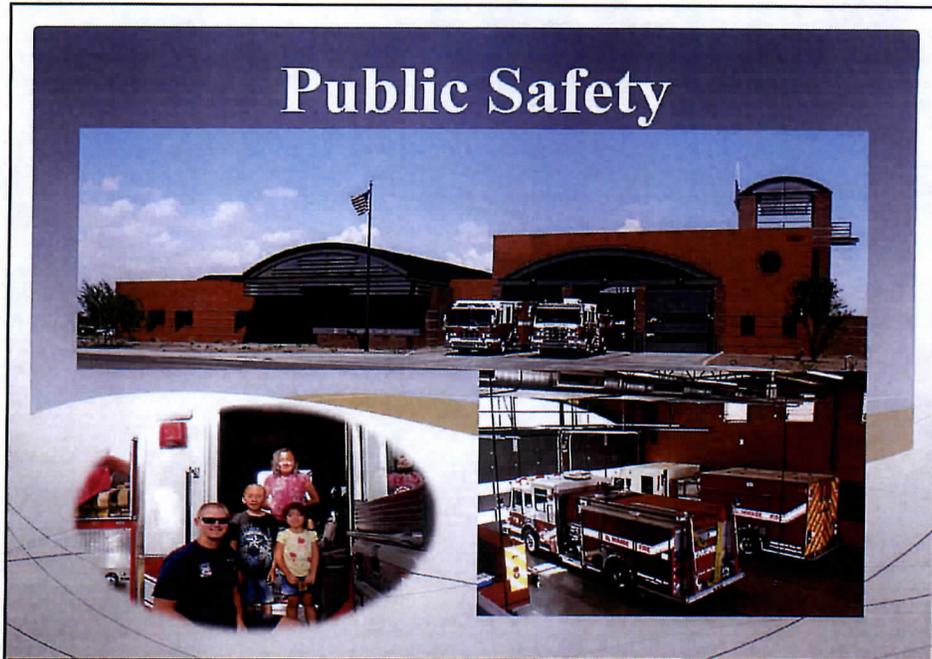
Placards as shown on the left point to City facilities, and are also leased to local business owners for marketing and directional purposes. The **green street sign** on the lower right is an example of the new signs replaced throughout the City this past spring. The new signs represent the latest in sign technology that allows drivers to see them at greater distances and are more easily read than the previous versions. The signs were funded through a grant from the Maricopa Association of Governments.

In the not-too-distant future, the City will also be constructing new **monument signs** like the one shown in the middle here, in two locations along Thunderbird Road. The signs are part of the Thunderbird Road improvement project discussed earlier. These signs help mark the City limits and improve the aesthetics of the area. Each monument sign will consist of 3 pillars, with one displaying the words, “El Mirage” as shown.

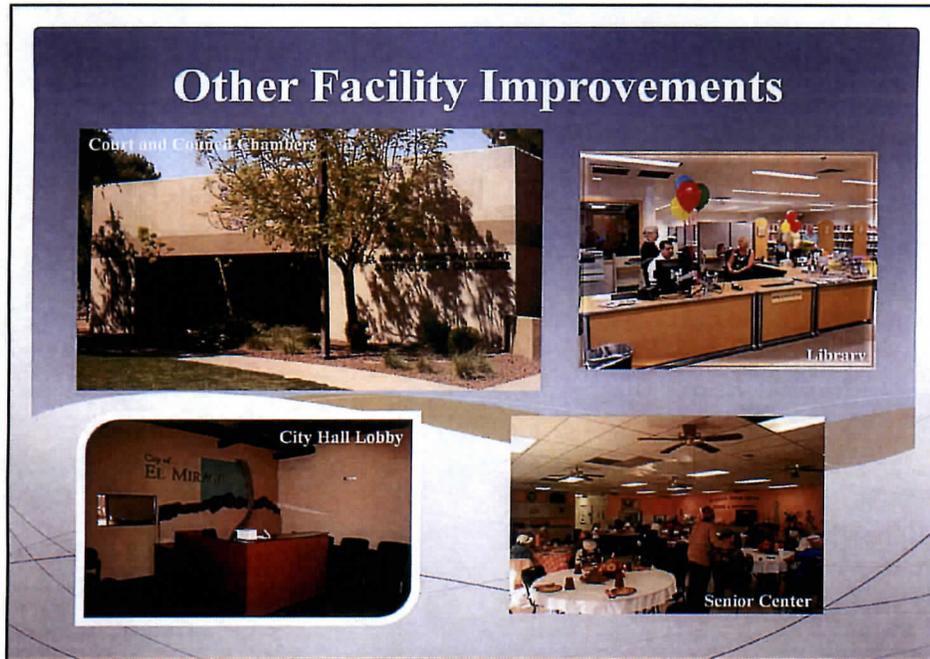


As most of you know, our City officially opened its new **police station** on January 24th of this year, thanks to voters who recognized that our police officers and admin staff deserved so much more than the aging module buildings and trailers from which they were operating previously. The new station is over 22,000 square feet and gives department personnel the much needed space and innovations necessary to perform the many responsibilities they have in protecting our lives and property.

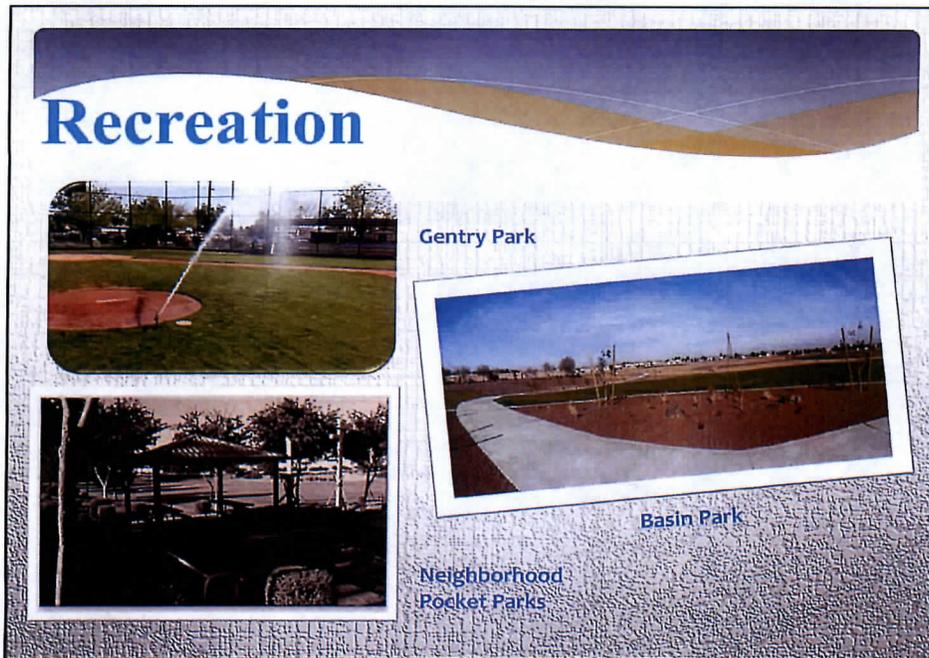
Your tax dollars are also helping to fund **replacement vehicles** for the Police Department, to occur in succession as required when existing vehicles reach certain reliability milestones. The City's Capital Improvement Plan for Fiscal Years 2014 – 2018 supports replacement of two marked and two unmarked police vehicles due to age-related deterioration and the increasing necessity for repairs. One of the new vehicles purchased in FY 2014 is shown here.



Just two years prior to opening the police station, the City held a similar grand opening for its long-awaited new fire station. The new station replaced one built 16 years previously when our population was about 7,000 residents and our fire and emergency needs were a fraction of what they are today. The new 16,000 square foot station, built thanks to a voter-approved bond, is capable of housing added firefighting personnel, building safety personnel now under the Fire Department's purview, additional emergency vehicles including a new engine, and an operations center capable of serving as a command center during major catastrophes.

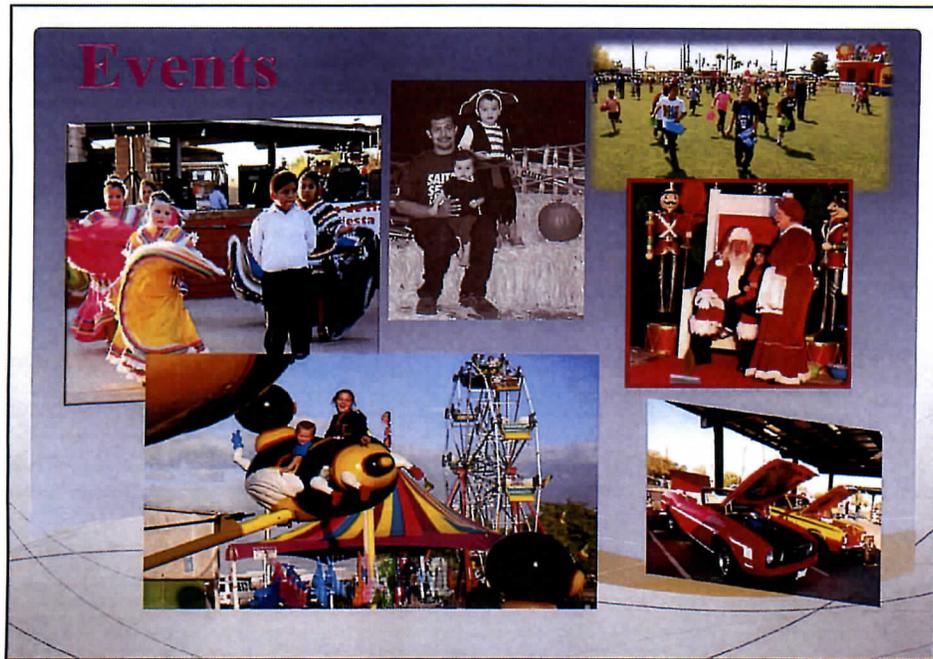


In addition to construction of new Fire and Police Stations, other City facilities received some much needed renovations. Our **Court and Council Chamber** received added security features; the **El Mirage Library** underwent extensive improvements including a more spacious reception area, new staff offices, and several new computer stations for customers. The Senior Center and adjacent rooms were fitted with new windows and handicap accessible doors, an improved exterior finish, and new fixtures such as fans and lighting. **City Hall** has undergone extensive remodeling to create more useable office, meeting, and storage space. In addition, the lobby received a much needed makeover to create a more welcoming and modern first impression for visitors. And finally, the **Customer Service Unit** originally based at City Hall was moved to its current location on North Alto Street following numerous improvements to the facility and an expanded customer parking area.

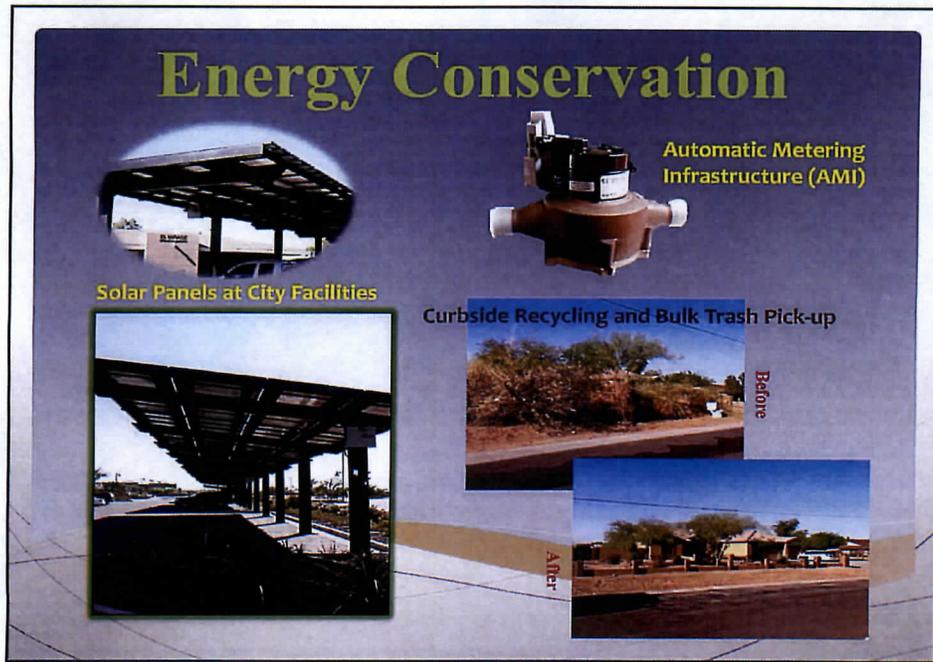


Recreation venues in our community bring citizens together for health, friendships, sports, and events that make El Mirage a welcoming, vibrant place for people of all ages and from every walk of life. This Council has taken very seriously the important role recreation plays in the lives of our citizens, and has made good on our promise to make it a top priority. Therefore, I am very proud to highlight the transformation **Gentry Park** has undergone in the last two years, making it a regional destination for formal little league play and other sports, as well as family gatherings and City special events. We have directed staff to maintain City-owned **pocket parks** and add new features such as benches, lighting, and other amenities to ensure the safety and enjoyment of residents.

Most recently, **Basin Park** at the intersection of Cactus and El Mirage Roads, has brought both beauty and safety to surrounding neighborhoods. The park serves as a flood mitigation area, but also has a quarter-mile walking path, trees and grassy areas for the public's enjoyment. And soon, solar lighting will be added to extend the park's use after sundown.



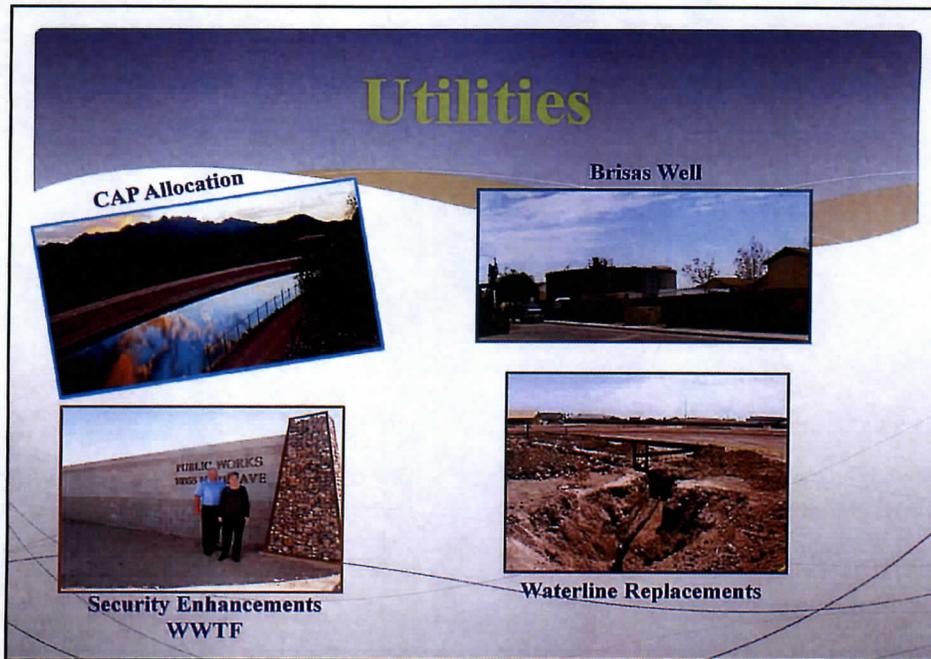
One of the Council's greatest sources of enjoyment is meeting residents and visitors at the various events sponsored by our City. We have been strong proponents of **adding new events** such as the car shows, Easter egg hunts, the Halloween festivals, and Christmas tree lightings. In addition, we have supported expenditures to improve on more long-standing events such as Cinco de Mayo and the November Fall Festival. By all accounts, residents and others attending the various events are very appreciative of these chances to spend some fun, quality time with their families and neighbors.



After considerable research and recommendations from staff, Council made the decision to incorporate **solar panels** atop the shade structures on parking areas at City facilities. Solar panels were identified as the most cost effective means of providing electrical power to parking areas long term. Through agreements with our solar installation partners, the City will have no upfront costs for the parking structures or the solar panels. The installation firms will be responsible for all construction and for operation and maintenance during our 20-year agreements with them and our electricity costs will remain stable during this term. In turn, the installation firms will own the excess power produced by the panels. Once the 20 years have passed, the City will own the panels and parking structures outright. Solar panels have been installed over parking structures at the Senior Center, the Fire and Police Stations, City Hall, and will soon be installed at the YMCA.

The **Automatic Metering Infrastructure** involves replacing an estimated 12,000 water meters like the one shown here. The meters digitally transmit water usage data, eliminating the need for staff to visit each meter location to obtain readings. This new metering system also allows customer to access their water usage in real time via personal computer, and helps the City detect leaks and other system issues more quickly. The new meters are expected to save residents \$3 million in water bills over the next 15 years. Installation of all meters should be completed this winter.

We have received nothing but compliments since approving **curbside recycling and twice-yearly bulk trash pick-ups**. Our City is cleaner and environmentally healthier thanks to these programs. Just imagine our reaction upon learning that our waste management company picked up more than 253 tons of trash during this spring's bulk trash pick-up.



A historic step toward stabilizing our water resources and our customers' water rates occurred in January of this year, when the City was notified that it would receive an allocation of **Central Arizona Project water**. This was very exciting news, since decisions made several years ago to forego applying for CAP water, resulted in the City's reliance on more expensive and less reliable water sources. These more expensive sources, coupled with increasing needs to replace aging waterlines and hydrants meant higher water rates for residents. The CAP allocation will help us stabilize water rates beginning in Fiscal Year 2015 and rates are expected to remain stable for the next few years, barring unforeseen capital needs or other circumstances. In fact, the City does not anticipate increases in water, sewer, or sanitation rates for the next few years.

The CAP allocation provides added assurance that El Mirage will have a reliable, more economical, water replenishment source for its 32,000 residents, as well as the estimated 1,500 residences of the City of Surprise Original Town Site, which El Mirage serves.

The **Brisas Well** is a drinking water well located on the west side of "B" Street, just south of Windrose Avenue, which was completed in the summer of 2012 to meet the City's increasing need for excellent water quality and volume. The well was part of the City's larger Water Master Plan.

Our **Wastewater Treatment Facility** underwent new security enhancements in 2013 including a block and gabion security wall, security cameras, and a steel automated gate. Employees now have the ability to control and monitor access to the facility. Since the new enhancements were completed, there have been no thefts or break-ins. The security measures also help guard against water supply contamination.



One of the most important leadership challenges of this City Council was to find ways **to develop and to mend key relationships among public and private entities** in support of our development goals, as well as those of our neighboring communities. For years, El Mirage deliberately excluded itself from practically every regional forum available, even though decisions were being made at these forums that would have a long-lasting impact on our City's quality of life. Please be assured that the members of this Council, Dr. Isom, and our department directors have made a concerted effort to not merely be present, but to be vigorously engaged and to hold leadership positions on boards, committees, and at conferences where El Mirage is part of the equation. This slide depicts some of the key partnerships this City has developed as a result of this commitment.

Of course, our current relationship with Luke AFB is certainly one we are most proud of and one overwhelmingly supported by our citizens. The enduring presence of Luke means El Mirage will continue to have as its neighbor one of the most highly regarded military installations in the world, inevitably influencing the growth of El Mirage for many years to come. Luke employs more than 8,000 highly skilled workers and infuses \$2.17 billion into the state's economy.

Fiscal Responsibility

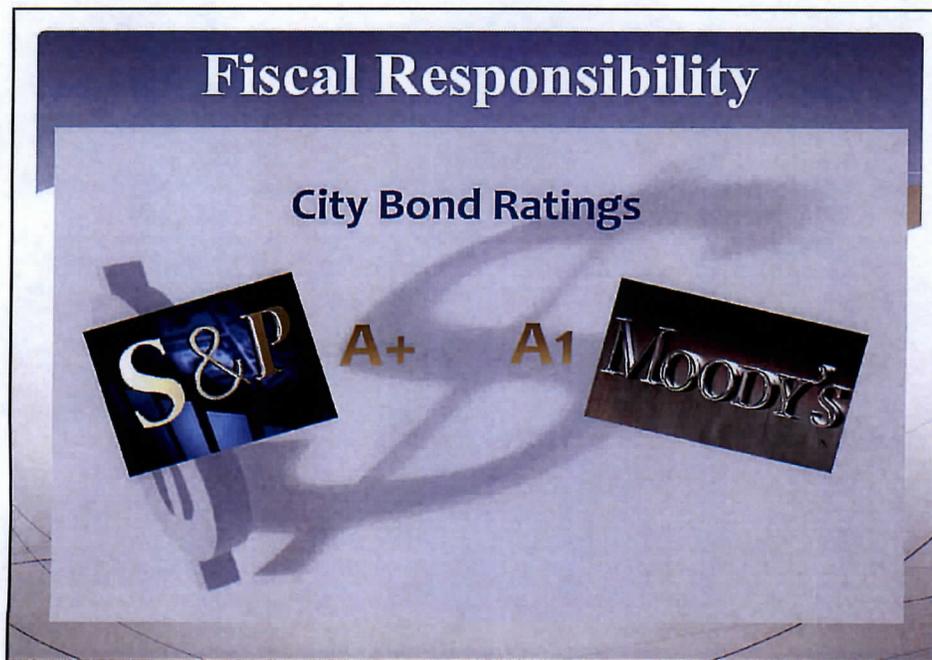
- FY 2014-15 budget is \$91,150,000.
 - ✓ \$21,683,500 less than last year
- Property tax rate will decrease by \$0.50 from \$4.04 to \$3.54.
 - ✓ Levy will stay the same.
- NO water, sewer, sanitation, or tax rate increases.
 - ✓ Recharge rate was previously approved per the Red Oak study.

Two years ago, the City's Annual Budget topped out at \$114.4 million when the City had a number of voter-approved projects under construction. Since then, our budget has been reduced by more than 20%. Our voter-approved projects were completed, our Police and Fire departments expanded, and administrative costs were reduced.

The City has lowered its primary property tax levy for the second straight year, and it is lower now than when I took office. Thanks to voters' investment in the community, housing prices are rising rapidly, which translates into lower property tax rates. As previously mentioned, no increases in water, sewer, or sanitation rates are expected for the foreseeable future.

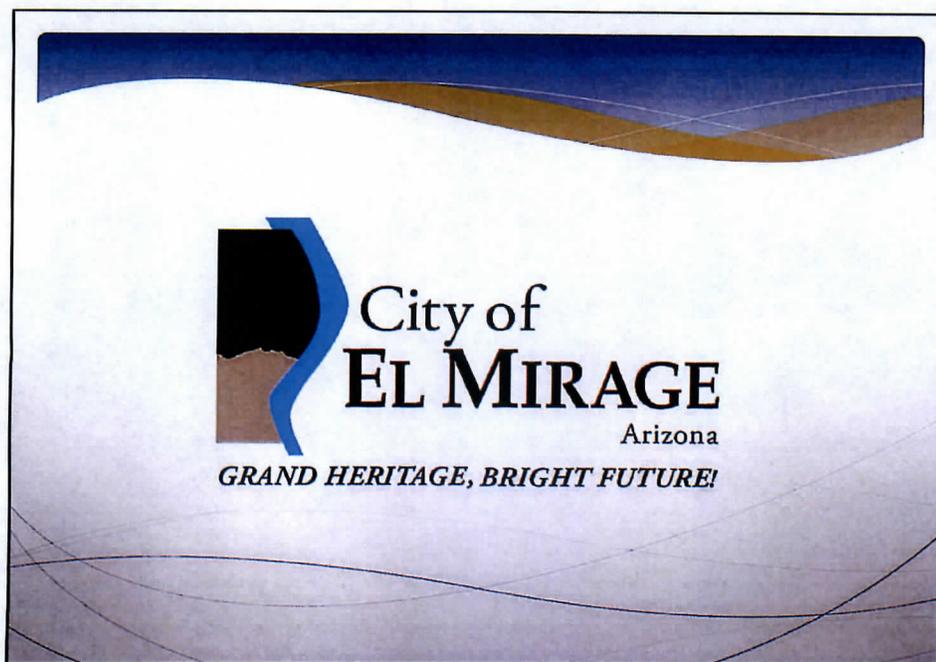
Despite the slow pace of financial recovery throughout the State and the country, this Council has been able to right the financial ship in El Mirage. We continue to focus on fiscal stewardship to ensure that services are not reduced and taxes and utility rates remain stable.

To recap the City's revised financial position . . . (READ SLIDE)



As many of you are aware, El Mirage received exceptional **bond ratings from Standard and Poor's and Moody's** rating services as it entered the bond market in 2012 to help sell new bonds and refinance existing bonds. These ratings – an A+ from S & P and an A1 from Moody's – are a positive reflection of our City's location, strong funding reserves, sound financial management practices, and low to moderate debt levels. The ratings help lower our costs of borrowing for major capital investments.

I had the pleasure of accompanying Dr. Isom and our Finance Department management team to the rating services headquarters in San Francisco. Each of us played a role in articulating the Council's vision and goals for El Mirage. The exceptional bond ratings will save the City approximately \$1.3 million in interest on new and existing bonds. The savings are the result of receiving higher bond ratings than initially anticipated from the two rating services.



In closing, I wanted to note **the City's new logo** adopted approximately a year and a half ago. This logo was selected because it is a poignant reminder and a way to honor our City's agricultural heritage. The Agua Fria River is shown in blue, along with the desert, the mountains, and the rich soil of this valley that drew so many here long ago.

And the words, ***Grand Heritage*** and ***Bright Future*** allude to our history, as well as the promise of a future that appears far brighter than so many could have imagined.

In closing, let me extend my sincere thanks to my Council colleagues, Dr. Isom and his staff, and most importantly, to the residents of El Mirage. Your friendship bolsters me, your advice inspires my convictions, and your trust continues to reassure me that my City and yours will emerge as one of Arizona's great success stories.

Thank you.