

**REGULAR MEETING OF THE COMMON COUNCIL
OF THE CITY OF EL MIRAGE
EL MIRAGE CITY COUNCIL CHAMBERS
14010 N. EL MIRAGE ROAD
6:00 PM – TUESDAY, September 1, 2015**

Minutes

I. ROLL CALL

Present: Mayor Lana Mook, Vice Mayor Joe Ramirez, Councilmember Roy Delgado, Councilmember Bob Jones, Councilmember Jack Palladino, Councilmember Lynn Selby, Councilmember David Shapera

II. CALL TO ORDER

Meeting was called to order at 6:00 pm.
Pledge of Allegiance
Moment of Silence
Silence Cell Phones & Pagers

III. PRESENTATION

P1. Presentation to introduce new police K-9 Officer “Koki” (Police Department)

Police Chief Steve Campbell introduced Police Officer Doug Jones and “Koki,” the new canine officer for the Police Department. Koki is an 18-month-old Belgian Malinois born and raised in Arizona. Koki has certifications by the Police Canine Association in narcotics detection, explosive detection and dual purpose. Chief Campbell thanked residents for their support with donations to the canine program.

P2. Presentation of revised Curbside Bulk Trash Program (Public Works)

Deputy City Manager Larry Dobrosky presented background information to the curbside bulk trash program in partnership with Parks & Sons stating the goal is to assist residents by providing a convenient disposal method of unwanted waste which will enhance the overall community’s appearance. Unfortunately, experience has shown not everyone follows the rules and new procedures have been established to help control costs and continue the program. Recent photos were shown to demonstrate some of the challenges faced in the past and which the new procedures are designed to address. Non-compliance increased expenses from \$27,438 in Spring 2013 to \$44,971 in Fall 2014. Labor costs increased from \$11,484 to \$21,057 and disposal fees increased from \$218 to \$396 for the same time period.

Proposed recommendations for non-compliance are to red tag and leave a door hanger with a date to correct or remove item(s). Follow up will be Parks & Sons returning to either dispose of trash that is then in compliance, or if still not in compliance, leave a second notice with the date to correct in which resident must remove the items by a

determined date or be subject to and charged removal fees. Should there be non-compliance after the second notice, Code enforcement will be notified to pursue the matter.

The next Curbside Bulk Trash Collection Event will be held October 26th through November 16th, 2015.

Mayor Mook asked how many residents were non-compliant in the last trash pickup event and Mr. Dobrosky estimated approximately 20% based on the cost increases.

Councilor Jones asked at what point in the non-compliance is the resident actually contacted. Mr. Dobrosky advised Parks & Sons will leave the red tags and information and the newly created "Beautification Specialist" position could be used to assist in the process.

Councilor Selby stated that in the last presentation Mr. Dobrosky mentioned a method for collection on these fines; his understanding was that failure-to-comply fees would be included on the next water bill and subject to water shutoff if not paid. Mr. Dobrosky confirmed this procedure and consequence for failure to pay.

Councilor Shapera asked who is documenting this process and was informed by Mr. Dobrosky that Parks & Sons is currently documenting, i.e., taking photos, etc. but that the City may assist through the new beautification position.

Vice Mayor Ramirez stated the while the red tag procedure is a step toward addressing the challenges, costs will still be incurred for re-mobilization of Parks & Sons returning to those not in compliance. Mr. Dobrosky agreed but stated the goal is to reduce the number of those not in compliance to reduce the overall costs in the future.

P3. Presentation to the Mayor and Council of the 2014 Comprehensive Annual Financial Report (CAFR) award (Finance)

Assistant Finance Director Christy Eusebio reported this is the fourth consecutive year the City has received the Arizona Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence for Financial Reporting Award (CAFR). Ms. Eusebio then introduced current GFOA Arizona Chapter President Mindy Russell who provided a background explanation regarding the creation and criteria for the award. The receipt of this award represents a high level of financial reporting for which the City of El Mirage should be proud.

Dr. Spencer Isom reiterated this is the fourth consecutive year the City of El Mirage has received this award and stated it is due to the diligent work of Finance Director Robert Nilles and Ms. Eusebio. He is proud to see how far the City has come.

IV. CALL TO THE PUBLIC

R. D. Justice, 14629 W. Peoria Ave., Waddell, AZ stated his property is located in the county south of Peoria and he has been following Dysart Ranchettes issues and its interactions with the City and Luke Air Force Base. He gave a background of Dysart Ranchettes and his relationship with base legislation. After 9/11, Luke Air Force Base dramatically changed flight patterns that owners believe negatively affected their property value and sales. He stated he believes the City should allow building and not charge fees.

Anita Norton, El Mirage Dysart Ranchettes landowner, reported she and other owners have been denied their right to build in the Ranchettes and recited a series of dates and letters exchanged between her and the City. She referenced meetings with the Engineering staff, a State settlement that was partially used for her denial of a building permit but to which the City was not a party, and her subsequent actions of pursuing higher authority with Congressional and State Representatives and the Attorney General's Office. She referred to correspondence between previous City legal counsel and Chief Counsel for the Attorney General's office and a 2003 letter to Luke AFB showing that Dysart Ranchettes was grandfathered with respect to building and does not violate State statute A.R.S. §28-8461 E. and J. She claimed the City acted negligently which caused undue stress and financial burden that damaged Ranchettes owners desiring to build. She further claimed that after her communication to higher offices the City then reversed its decision and is now allowing owners to submit for building permits.

City Manager Dr. Isom responded that while the issues can be emotional, he asked for clarity in understanding and stated the information presented cannot necessarily be agreed upon. The Arizona Revised Statutes requires agreement between the City and Luke Air Force Base in order for development to continue and unless and until that agreement is established, no permit can be issued. His direction for staff to take a "fresh look" was to check again with Luke AFB and, in fact, that action provided for the permitting; the City has provided due diligence in the entire process.

City Attorney Bob Hall reported the Arizona Revised Statutes also designates the Attorney General as the enforcement agency. The Maricopa County Superior court case was persuasive and the judicial decision only reinforced the required agreement between the City of El Mirage and Luke Air Force Base in the State statute; it also states that the Attorney General is the determining agency. Staff has been working diligently to find a positive resolution. Dr. Isom's letter clearly stated the City Code was not a problem, but State statutes needed to be followed.

Mayor Mook asked and was advised by Dr. Isom that Council and the City staff were unaware of the 2003 letter referenced and noted it was sent to Luke AFB initially; upon being made aware of the letter, the Mayor's letter to owners affected was immediately sent. She commented that this Council and City staff have worked diligently to resolve this matter and the desire of the Council is to have owners be able to build and live in El Mirage.

V. 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.

1. Consideration and action to approve minutes of the Regular Council Meeting held Monday, August 10, 2015. (City Clerk)
2. Consideration and action to approve the destruction of personnel records that have reached the end of their retention period as authorized under A.R.S. §41-151.12. (Human Resources)
3. Consideration and action to authorize the City Manager to order 508 acre feet (af) of Central Arizona Project (CAP) sub-contract water and pay the associated delivery and recharge fees in the amount of \$98,552.00. (Public Works)

Vice Mayor Ramirez moved to approve all items listed on the Consent Agenda as approved; seconded by Councilor Delgado. Motion carried unanimously (7/0).

VI. REGULAR AGENDA

- A. Consideration and possible adoption of Resolution R15-09-15 approving the sale and execution and delivery of pledged excise tax revenue obligations evidencing a proportionate interest of the owners thereof in a purchase agreement from the City; approving the form and authorizing the execution and delivery of such purchase agreement and other necessary agreements for such sale, delegating authority to determine certain matters and terms with respect to the foregoing, authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency. (Finance)

Finance Director Robert Nilles presented the matter regarding issuing debt relative to the El Mirage Road and City Hall projects and introduced Greg Schwartz from Piper Jaffray.

Mr. Schwartz advised the proposed resolution being considered was necessary in order for the City to proceed with issuing bonds to pay for a portion of the new City Hall construction as well as to make an advance payment on the El Mirage Road reconstruction project which will be reimbursed by MAG. He presented a PowerPoint presentation explaining 1) the differences between General Obligation (GO) and Excise Tax Revenue (ETR) Obligation bonds, 2) the amount of bonds to be issued for the two projects (\$2.5M ETR for City Hall and \$8.8M ETR obligations), 3) the September timeline for selling and processing the bonds, 4) the structure and contents of the proposed resolution, and 5) an update on general market activity and the City's favorable bond ratings.

Councilor Delgado noted his questions had all been answered by Dr. Isom previously and he congratulated Mayor Mook, Dr. Isom, Mr. Nilles and Ms. Eusebio for the positive results of their San Francisco trip with regard to the City's current bond ratings.

Vice Mayor Ramirez asked if there would be a penalty after the 5-year payoff and was advised by Mr. Nilles that there is a no-call feature on the first five years after which there would be no payoff penalty and the City is able to retain its premium.

Mayor Mook stated the favorable bond ratings was a city-wide effort and there were a lot of people behind the scenes working to accomplish the results.

Councilor Jones thanked Mr. Schwartz for the presentation and thanked Mr. Nilles and Ms. Eusebio for their efforts in this matter.

Vice Mayor Ramirez moved to adopt Resolution R15-09-15 approving the sale and execution and delivery of pledged excise tax revenue obligations evidencing a proportionate interest of the owners thereof in a purchase agreement from the City, approving the form and authorizing the execution and delivery of such purchase agreement and other necessary agreements for such sale, delegating authority to determine certain matters and terms with respect to the foregoing, authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency; seconded by Councilor Delgado. Motion carried unanimously (7/0).

Mayor Mook called for a recess at 7:45 pm.

Meeting was resumed at 7:56 PM

VII. CITY MANAGER SUMMARY OF CURRENT EVENTS

The City Council may not act upon any matter in the City Manager's summary but may have general comment or questions. Items to be discussed will include, but not be limited to, the following:

1. Health Insurance Pool

Human Resource Director Sandy King presented background regarding the insurance/benefit pool, noting Arizona Metropolitan Trust (AzMT) has had three successful years. Ms. King then introduced Jamie Schulenberg representing AzMT who reported as of June 30, 2015 the Trust has added its first new member, Buckeye Valley Fire District, with 848 employees and 2,092 total covered lives. AzMT has maintained excellent financial performance with a cash position of \$3.5M as of 6/30/15 representing an increase of \$559K from FY 2013/14. She stated the Cash/Surplus is protected and per A.R.S. it can only be used for benefits within the

Trust. AzMT's current financial performance shows total assets of \$3,459,380 and total liabilities of \$932,271 leaving a surplus as of June 2015 of \$2,586,381. As of July 1, 2015, Pinal County joined the Trust constituting 2,293 members with 5,647 total covered lives. In FY 2015/16 the Trust has also added benefits for voluntary vision, optional short-term disability, and expanded EAP to part-time employees.

Dr. Isom recognized the efforts of Ms. Schulenberg and Ms. King in managing the Trust and being able to provide City employees and their families with fantastic benefits. The working relationship with AzMT has been a very positive experience.

2. Pueblo Futuro park-grant, land acquisition and description of improvements

Dr. Isom gave background regarding the park in Pueblo Futuro and recent discontent with the homeowners' self-managed association relative to the park's condition and ongoing fees needed to upgrade and maintain. He reported on a grant just received by the Tohono O'dham Nation to rebuild the park and that the HOA would be giving the City authorization to remove playground equipment and make the improvements according to the grant awarded. Once decided to the City, the park will be upgraded and on-going maintenance will be handled by the City.

Councilor Shapera asked about the types of improvements included in the grant and whether lighting is included? Mr. Dobrosky gave a PowerPoint presentation explaining it is a 1.8 acre Pocket Park currently located on the corner of El Frio and Valentine. Proposed improvements with \$49,100 grant funds and \$48,700 City match funds includes security lighting (solar and APS lights), Smart Scouter Cameras, play structure replacement, turf area expansion and irrigation installation and repairs.

3. PSPRS update

Finance Director Robert Nilles was asked by Dr. Isom to present this update. Mr. Nilles provided a PowerPoint presentation stating that the Public Safety Personnel Retirement System (PSPRS) is comprised of 256 plans with roughly 32,000 active members and retirees. Of the 256 plans, the financial condition and employer contribution (ER) rate varies amongst each. However, the employee contribution (EE) rate is set uniformly by State law and presently fixed at 11.65%. The current system is unsustainable and reform is necessary. The PSPRS Task Force was formed in June, 2014 through the leadership of the Executive Committee of the League of Arizona Cities and Towns in partnership with the Arizona City and County Managers Association and the Government Finance Officers Association of Arizona. Fifteen members comprise the Task Force which was formulated to undertake a comprehensive review of PSPRS. Rather than develop a specific reform proposal, the Task Force created the "Yardstick." The Yardstick identifies the goals, characteristics, and elements of a viable and sustainable, well-designed public safety pension system. As the name suggests, it is an evaluation tool for the current system and for potential reform proposals for Arizona's public safety pension system. The conclusions of the report are as follows: 1) the current system is unsustainable and comprehensive reform is necessary; 2) achieving successful reform is a shared

responsibility of system members, elected officials, employers, and taxpayers; (3) the Yardstick reflects characteristics of a well-designed public safety pension plan; and (4) the Yardstick is a tool to evaluate reform (not a specific proposal) and to aid in communicating the reform elements important to employers.

Dr. Isom reported Mr. Nilles has been a very active member on this League statewide committee and thanked him for his participation.

4. Creation of a City Investment Policy

Mr. Nilles reported the need for an investment policy for Council's consideration because the current City Code identifies the City Clerk as the City Treasurer but the Code does not define the responsibilities of Treasurer. An investment policy will be developed and brought to Council at a future date to include the parties responsible for City investments and under what conditions and circumstances investments can be made that are in the best interests of the City's finances.

5. Code Enforcement Initiative on Vacant and Boarded Properties

Dr. Isom reported that Mayor Mook facilitated a special session at the recent League of Arizona Cities & Towns Annual Conference regarding Code Enforcement best practices from cities around the state. He has asked Assistant Police Chief Terry McDonald to research policy from other valley cities and will keep Council advised as the ideas for improvement develop.

6. Traffic Construction Update

City Engineer Jorge Gastelum reported on the various road construction projects underway and planned as follows: 1) Cactus Road to Grand Avenue and Thunderbird Road is currently undergoing work by Southwest Gas and the road construction is anticipated from Spring 2016 to Spring 2017. The Grand Avenue/Thunderbird Road and Frontage Road ADOT construction is scheduled from Summer 2016 to Summer 2017. El Mirage Road construction from Peoria Avenue to Cactus Road is currently underway that began in Summer of 2015 and will continue to Summer of 2016. Construction under MCDOT from Northern Avenue to Peoria Avenue is scheduled for Summer 2016 to Summer 2017. MCDOT's design for continuation of Northern Parkway is ongoing. Road construction and traffic updates are available on the City's website.

ADOT's Grand Avenue Improvements will be a two-phase project along Grand Avenue. Phase I consists of the reconfiguration of the Thunderbird Road and Thompson Ranch Road intersection while Phase II will include the reconstruction of the Frontage Road from Thunderbird Road to Greenway Road. Costs include the design, right-of-way acquisition, and construction of the ultimate configurations. The project has been identified for funding through ADOT using MAG/Federal funds identified for Grand Avenue Phase II construction. At this time there is no identified City capital cost to this project. Currently the Design Consultant for Phase I is

working on 60% plans. An initial Project Assessment for Phase II has been reviewed by City Staff and comments have been provided. Coordination with ADOT and BNSF is ongoing. The ADOT website at www.azdot.gov/tbird provides updates.

Mayor Mook commented that the City will be torn up for a while with considerable concurrent construction but the result will be well worth the process.

Councilor Delgado asked when the CDBG water project would be started and Mr. Gastelum advised it would be late January early February within CDBG schedule.

Dr. Isom commended Mr. Gastelum for all his work and stated the City is fortunate to have such a phenomenal engineer on staff.

7. Hispanic Heritage Special Event

Public Relations Manager Amber Wakeman reported the Fifth Annual Hispanic Heritage Fiesta will be held on Friday, September 25th, 2015 from 5:00 - 9:00 PM in Gentry Park. The event will feature live music and Folklorico dance performances, food vendors, community craft vendors, a beer garden, children's activities including free pony rides, children's arts and crafts, and a petting zoo. Admission and parking are free. There will also be a canned food drive for St. Mary's.

8. New Employees – Fire and Public Works

The new Fire Department employees will be presented at the next meeting.

Deputy City Manager Larry Dobrosky explained there has been a reorganization of the Public Works Department and Marc Johnson is now Operations Supervisor of Fleets, Facilities and Right-of-Ways. Mr. Johnson has managed a family-owned business for 20 years, is married with four children and has a Bachelor's Degree from Grand Canyon University in Applied Management. He has coached Pop Warner for fifteen years. Mr. Johnson stated he is proud to be working in El Mirage and has enjoyed every minute of the past two weeks he has been here. He looks forward to using his knowledge to accomplish all that is needed. It is a challenge he is looking forward to and promises to do his best for the City of El Mirage.

VIII. 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 Shapera reported he learned there are children at Thompson Ranch School who were in need of proper shoes and that Councilors Delgado, Shapera and Selby contributed \$100 each toward providing the needed shoes. He stated he is amazed at the number of students who do not have shoes or eyeglasses and acknowledged that Councilor Jones is also helping the children.

Councilor Delgado said he attended a meeting regarding the current Dysart Unified School bond effort. He thanked the Mayors of the City of El Mirage, City of Surprise and the Town of Youngtown for their letters of support. Councilor Delgado and his wife will be working the football games beginning this Friday and he stated the schools really need this proposition to pass in order to continue to support the students.

Vice Mayor Ramirez reported he attended the League of Arizona Cities and Towns Conference and the Camp Verde Mayor commented on all the El Mirage successes. Vice Mayor Ramirez stated he did not know how he knew of these changes but surmised it was carried through the political grapevine. The Camp Verde Mayor inquired how the City has been able to achieve so much in so little time and stated he is taking this information back to his Council in Camp Verde.

Councilor Jones reported he also attended the League Conference and found it to be a very productive experience. He further stated there is an upcoming event called the Council-To-Council Mixer at Surprise Stadium where city representatives can meet and network.

Councilor Selby advised he attended the Sunset View Men's Group regarding the Community Uplift Program (CUP) and is working with other groups to provide help with the CUP Program. Word is getting out to other faith-based organizations who want to help the City of El Mirage; projects will resume again in November when the weather is cooler.

Mayor Mook reported that other communities have asked how the City is able to accomplish all that has occurred over the past years and her answer is that various Councilmembers have interests in different areas and are working to benefit the entire community; working together is how the City is succeeding. And as far as employees are concerned, Mayor Mook stated the City hires the best.

Regular Meeting was adjourned at 8:50 p.m.

IX. EXECUTIVE SESSION

B. Consideration and action to adjourn into executive session. (Administration)

Vice Mayor Ramirez moved to adjourn into executive session for discussion and consultation for legal advice with the City Attorney in accordance with A.R.S. §38-431.03 A. 3. and to conduct annual reviews; seconded by Councilor Shapera. Motion carried unanimously (7/0).

The Executive Session convened at 8:58 p.m.

1. For discussion and consultation for legal advice with the City Attorney in accordance with A.R.S. § 38-431.03 A. 3.

- 2. To conduct annual reviews of:
 - a. The City Manager's stewardship
 - b. The City Attorney's stewardship
 - c. The Presiding Judge's stewardship

X. ADJOURNMENT

The Executive Session and meeting was adjourned at 10:57 p.m.



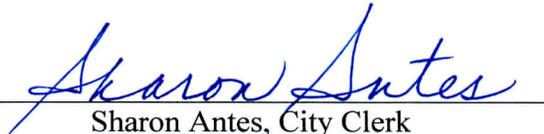
Lana Mook, Mayor

ATTEST:



Sharon Antes, City Clerk

I hereby certify the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of El Mirage, Arizona held on Tuesday, September 1, 2015. I further certify the meeting was duly called and held and that a quorum was present.



Sharon Antes, City Clerk