

**WORK SESSION 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, DECEMBER 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

The meeting was called to order at 5:00 PM
Pledge of Allegiance
Moment of Silence
Silence Cell Phones & Pagers

III. PRESENTATION

**PI. Presentation of the City of El Mirage FY 2014/15 Annual Financial Report
(Finance)**

Finance Director Robert Nilles explained this presentation is to review for Council the Annual Financial Report for FY 2014/15. The PowerPoint presentation is divided into two parts; the first part is a presentation by the auditors and the second part is a presentation by City Staff. Since the auditors were caught in traffic and had not arrived by the beginning of this work session, Mr. Nilles gave the staff report first. He explained who would use an Annual Financial Report and the basic format of the various report sections as well as differentiating between business-type activities and government-type activities.

Mr. Nilles provided a comparison of assets, liabilities, and net worth between 2014 and 2015 and showed revenue and expense charts representing percentages of various types of income and costs. He pointed out that cash increased from \$40 to \$46 million noting the Utility Fund reserves have increased in accordance with the utility rate study and that cash will decrease in coming years for major capital projects. Liabilities increased from \$51 to \$64 million primarily because of pension obligations and related required reporting. Capital Assets remained constant at \$98 million, with \$56 million in governmental assets and \$42 million in business-type assets. He also explained the difference between ASRS (Arizona State Retirement System) which covers non-MOU employees and retired public safety police officers and PSPRS (Public Safety Personnel Retirement System) which covers Police and Fire personnel; ASRS is a shared statewide funding responsibility and the PSPRS is a direct funding responsibility of the City.

Auditors Aaron VanWinkle and Mike Hoerig arrived at 5:38 and continued the Work Session with their portion of the presentation. They reported Heinfeld, Meech & Co., P.C. specializes in audits of governmental entities with offices in Tucson, Phoenix, and Flagstaff. They are the auditors of various governmental entities in the State of Arizona, including Cities and Towns, County Governments, and Special Purpose Governments and Districts. They have been the City's auditors since FY 2006/07.

Audit procedures have been completed with financial statements (CAFR) being reviewed and an unmodified (clean) audit opinion has been issued. The Annual Expenditure Limitation Report (ELR) is to be issued. The report on internal control (in accordance with GAS) determined no audit findings were reported and no single audit will be required for fiscal 2015. The Governance Communication Letter reported no difficulties in performing the audit, no presentation/disclosure disagreements with management and no uncorrected misstatements identified.

Financial highlights were reviewed with Council and the new Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* that was implemented in fiscal year FY 2014/15 was explained. The GASB Statement No. 68 provides for recognition of new pension liability (NPL) on City financial statements. Year-to-year NPL fluctuations are expected with changes caused by City employment levels, pension benefit structure and pension plan investment returns.

Mayor Mook commented on the amount of work invested on the PSPRS topic at the State level, at the League of Arizona Cities and Towns and on a League sub-committee reviewing PSPRS. She asked if there are any new processes to prevent future poor investments to which Mr. Nilles responded that auditors cannot identify investment shortfalls. Mr. Nilles served on the League sub-committee and explained that the PSPRS Board oversees investments and are not required to be either experts or professionals in pension investments. The League made a recommendation in the sub-committee's "Yardstick" document to require board members to understand pension plans and investments and/or hire financial professionals to make investments to prevent future bad investments.

Councilor Jones thanked the Finance Department for an excellent job. Mr. Nilles passed the honor to Dr. Isom who he stated is a strong leader and permits staff to do what they need to do. Each department provides a lot of information and research for submission to Finance in preparation of these reports.

Councilor Shapera asked about the savings of \$594K noted in the General Government expenditures and was informed by Mr. Nilles that it was a savings due to lower than projected jailhouse costs in unspent Council contingency. Councilor Shapera also commented on what appeared to be a savings of \$1M in public safety personnel expenditures and was advised by Mr. Nilles that the FY 2014/15 Budget showed overtime in both the salary portion and in the overtime portion so the "savings" was a reflection of the double budgeting.

Councilor Delgado stated the report is a job well done and he commented that he sees constant improvement each year. He thanked Dr. Isom and the Finance Department.

Vice Mayor Ramirez stated the projections show liabilities are anticipated to increase in 2018 and asked if completion of major projects would help offset anticipated increases reported at this meeting. Mr. Nilles advised that the debt ratio will, indeed, improve as major projects are completed and the associated debts are paid; once completed, the projects will become City assets.

Dr. Isom thanked Heinfeld & Meech & Co., PC for presenting the audit results and stated the audit process has improved with a systematic approach. The focus has been on being conservative and up front with any major changes from year to year. The City's "story" is clearly understood by Heinfeld & Meech and is broader than just one aspect. In the broader picture, the Public Safety costs have gone up because of Council's goals for improvement and the additional, and unanticipated, PSPRS liability. The City is moving in the right direction financially and a good example is the recent purchase of water credits to offset the inevitable increase in costs to purchase water in the future. Remaining consistent and conservative will ensure the ability to continue with clean audits. He commended Council, Staff, Mr. Nilles and Ms. Eusebio, Heinfeld and Meech and the City's financial advisors, Piper Jaffrey, for the current stable financial condition. Dr. Isom was pleased to also report that the City most recently was elevated from a financial rating of A+ to AA- by Standard & Poor's rating agency.

IV. **ADJOURNMENT** - The Work Study was adjourned at 6:20 PM.

**REGULAR MEETING OF THE COMMON COUNCIL
OF THE CITY OF EL MIRAGE
EL MIRAGE CITY COUNCIL CHAMBERS
14010 N. EL MIRAGE ROAD
FOLLOWING WORK SESSION - TUESDAY, DECEMBER 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

The meeting was called to order at 6:20 PM.
Pledge of Allegiance
Moment of Silence
Silence Cell Phones & Pagers

III. PROCLAMATION

PR1. Proclamation to recognize December, 2015 as Impaired Driving Prevention Month (Police Department)

Police Chief Terry McDonald presented the proclamation as a reminder of the problems with impaired driving, particularly at this time of year. State and municipal entities across the state are vested partners in the GOHS DUI Program.

Mayor Mook stated, NOW, THEREFORE, I, Mayor of El Mirage, do hereby proclaim December 2015 as National Impaired Driving Prevention Month. I urge all citizens to make responsible decisions and take appropriate measures to prevent impaired driving.

IV. 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.

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 approving the minutes of the Regular Council Meeting held Tuesday, November 3, 2015 and minutes of the Special Council Meeting held Thursday, November 19, 2015. (City Clerk)
2. Consideration and action to approve destruction of municipal documents that have reached the end of their retention period as authorized under A.R.S. §41.151.19. (City Clerk)
3. Consideration and action to accept the June 30, 2015 Annual Financial Report as an official record of the City of El Mirage. (Finance)
4. Consideration and action to authorize the Finance Director to transfer two (2) full-time equivalent positions from the Streets (HURF) budget to the Parks (General Fund) budget. (Public Works)

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

VI. REGULAR AGENDA**A. Consideration and action to adopt the 2015 Arizona Mutual Aid Compact. (Fire)**

Fire Chief Jim Wise explained the updated revisions to an existing compact which does not obligate the City of El Mirage to supply a resource if it is not in the City's best interest to do so, but if the City chooses to supply a resource, the City can then seek reimbursement. This addition is being added at the five year renewal period.

Mayor Mook asked if there were any huge differences between the old and new contracts and Chief Wise answered the only change was the process for charging for services as explained.

Vice Mayor Ramirez moved to adopt the 2015 Arizona Mutual Aid Compact as presented; seconded by Councilor Palladino. Motion carried unanimously (7/0).

B. Consideration and action to approve Ordinance O15-12-11 by reference through Resolution R15-12-21 authorizing the City Manager to execute quit claim deeds to convey certain parcels of City property within the Sundial West 3 Subdivision. (Development & Community Services).

Development and Community Services Director/City Engineer Jorge Gastelum reported a proposed revision to the Ordinance being considered is recommended as follows:

“WHEREAS, should the City require additional right-of-way for roadway widening, lengthening, or expansion, the Sundial West 3 Homeowner Association shall convey, transfer, and dedicate the needed property back to the City. The reversion of the subject property shall be at no cost to the City and made without undue delay.”

He presented a map showing the location of Sundial West III and stated Sundial West III HOA's contribution is \$489,298 for entry monuments, park equipment, landscaping and irrigation operations and maintenance. The City cost is \$6,960 for legal descriptions, exhibits and appraisals and the estimated land value is \$420,652.

Mayor Mook added that the additional “Whereas” in the proposed Ordinance was recommended by City Attorney Robert Hall to protect the City's potential needs for right-of-way in the future. Mr. Gastelum advised that he had obtained concurrence from the HOA for this condition to be added to the proposed Ordinance.

Councilor Shapera asked if this agreement would have any effect on the recently approved CareScape, Inc. landscape agreement and was advised by Dr. Isom there would be no impact with the approval of this ordinance.

Vice Mayor Ramirez moved to approve Ordinance O15-12-11 by reference through Resolution R15-12-21 authorizing the City Manager to execute quit claim deeds to convey certain parcels of City property within the Sundial

West 3 Subdivision including the proposed additional "Whereas" recommended by the City Attorney; seconded by Councilor Delgado. Motion carried unanimously (7/0).

- C. Consideration and action to approve Resolution R15-12-21 declaring as public record that certain document titled Ordinance O15-12-11 to convey real property, located in the Sundial West 3 Subdivision, to the Sundial West 3 Homeowners Association. (Development & Community Services)

Mr. Gastelum reported this Resolution is related to the previous item and is the process allowed by State law to facilitate publishing lengthy ordinances.

Vice Mayor Ramirez moved to approve Resolution R15-12-21 declaring as a public record that certain document titled Ordinance O15-12-11 to convey real property located in the Sundial West 3 Subdivision, to the Sundial West 3 Homeowners Association; seconded by Councilor Delgado. Motion carried unanimously (7/0).

- D. Consideration and action to authorize the City Manager to enter into a construction contract with Sunland Asphalt, in the amount of \$163,058.50 including contingency, to construct a new sanitary sewer line along El Mirage Road and the Mountain View Road alignment. (Development & Community Services)

Development and Community Services Director/City Engineer Jorge Gastelum explained the need to extend the existing sanitary sewer to the future City Hall property on Mountain View Road and stated the project was included in the FY 2016-2020 Capital Improvements Plan with a budget of \$165,000 for design and construction. City staff provided an in-house design and advertised the project in October 2015. Four bids were received and Sunland Asphalt provided the lowest bid at \$148,235.00. The project includes approximately 1,100 linear feet of 8-inch and 12-inch PVC sewer that runs along El Mirage Road and the Mountain View Road alignment. A service line will be installed for the future connection of the City Hall building; total project costs, including contingency, will be \$163,558.50.

Vice Mayor Ramirez moved to authorize the City Manager to enter into a construction contract with Sunland Asphalt, in the amount of \$163,058.50 including contingency, to construct a new sanitary sewer line along El Mirage Road and the Mountain View Road alignment; seconded by Councilor Delgado. Motion carried unanimously (7/0).

- E. Public hearing, closure of public hearing, followed by consideration and action to adopt Ordinance O15-12-12 to amend Section §154.052 PERMITTED USE BY ZONE, that will restore the Religious Assembly use in Rural Area (RA) and Suburban Neighborhood (SN) zoning districts. (Development & Community Services)

Mayor Mook opened the Public Hearing.

Development and Community Services Director/City Engineer Jorge Gastelum reported a correction to Ordinance O15-10-08 approved on October 6, 2015 was necessary, which was approved with an inadvertent error that omitted the "C" (conditional use) designation in RA (Rural Area Zone) and SN (Suburban Neighborhood Zone) for Religious Assembly. The two areas omitted were not part of the ordinance amendment approved in October and the proposed Ordinance being considered at this meeting is only to re-instate the "C" designation which should have been included in the October ordinance.

Mayor Mook asked if this had caused any problems to which Mr. Gastelum responded no problems had been encountered and he explained this correction is a housekeeping issue discovered by the City Clerk; he thanked City Clerk Sharon Antes for bringing this forward.

No public comments were received and Mayor Mook closed the Public Hearing.

Vice Mayor Ramirez moved to adopt Ordinance O15-12-12 to correct Section §154.052 PERMITTED USE BY ZONE, that will restore the Religious Assembly conditional use in Rural Area (RA) and Suburban Neighborhood (SN) zoning districts; seconded by Councilor Delgado. Motion carried unanimously (7/0).

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. Christmas Tree Lighting Ceremony

Dr. Isom reported the 2015 Christmas Tree Lighting Ceremony will be held Friday, December 4th from 5:00-9:00 PM at Gentry Park and invited all to attend to witness the lighting of the new 30-foot Christmas Tree and enjoy an evening of rides, food, music, arts and crafts and a free photo with Santa.

2. Noise Complaint Update

Police Chief Terry McDonald gave an update regarding a resident complaint of noise in the Pueblo Resort area. He met with resident Dan Dotson and other residents on November 10, 2015 along with participating team members Assistant Police Chief Laura Luizzo, Sgt. Robert Peoples, Lt. Randy Stewart, and a Code Enforcement Officer. It was a good meeting and several issues were discussed. Speed of vehicles had been identified as an issue and he reported the results of the Police Department speed checks which showed only a very small number of vehicles were actually speeding but the sound of gear shifts could be the problem with trucks in the area. Chief McDonald also met with neighboring businesses who are genuinely concerned with solutions to noise issues raised. He stated a number of solutions being considered are increasing the height of the wall on the north side of Peoria Avenue (Pueblo side), installing an eight foot wall along the south side of Peoria as part of the

road improvement project currently underway, re-arranging ingress/egress patterns, and options for decreasing traffic along Peoria during the problem time period. He stated Mr. Dotson believes there has been a significant drop in noise which signifies changes at the businesses and Chief McDonald will continue to work with both groups to solve these issues.

Chief McDonald further reported that a meeting with the Dysart Community Center (DCC) will take place on December 2nd at 10:00 AM. Iva Rody, Assistant Chief Luizzo and Chief McDonald will be present and will give a tour of the station and a presentation regarding how the City can and will work with DCC to work together toward common goals and solutions.

Chief McDonald reported he recently attended a police academy graduation and is excited to see young people moving forward into law enforcement. He thanked Human Resources Sandra King for the assistance of her department with the new recruitment procedure. He then introduced the following new police employees:

Brian Castineda is 21 years old and graduated from Desert Edge High School in Goodyear. He has been very active working at the academy and with the El Mirage Police Department. Mr. Castineda addressed Council stating he has enjoyed every day he has been here and that there is a feeling of family and unity in the police department.

Thomas Dominguez is 23 years old and graduated from Glendale High School in 2010. He has three Associate Degrees from Estrella Mountain Community College in General Education, Arts and General Studies with distinction. Officer Dominguez stated he is glad to be here and thankful for the opportunity in an honorable profession.

Salvador Rey Montez is 38 years old and graduated from Flagstaff High School; he also earned a Bachelor of Science degree from Sterling College in Kansas. He left American Trust to come to the City of El Mirage. Mr. Montez stated he is very excited to be in El Mirage with the Police Department.

Dr. Isom stated he is very pleased that the Police Department has problem solvers who are determining issues and resolutions on behalf of the community.

3. New Employees

Deputy City Manager Larry Dobrosky introduced Wayne Smith as the new Parks Supervisor in Public Works. Mr. Smith has 30 years of experience and comes to the City with experience in golf course management. He worked at the Fairmont Scottsdale Princess for several years then moved to the Phoenician, winning awards at each entity. He has an Associate's Degree in Ornamental Horticulture from Arizona State, is a certified nursery professional and a certified arborist and is currently working on the next level as an arborist. He is married with two children, has numerous pets and is a Mini-Cooper enthusiast. Mr. Smith addressed Council

stating he is happy to be here and is learning how the City works. He has wanted to do this for years and feels lucky to have CareScape, Inc. under contract with the City.

Court Services Director Rod Wettlin introduced new Court employee Brittany Cappanini who comes to El Mirage by way of New York. She has no specific Court experience so he is looking forward to training her to meet the needs of the City. Mr. Wettlin thanked Human Resources Director Sandra King and her staff for assisting in the hiring process. Ms. Cappanini addressed Council and expressed her gratitude for taking a chance on someone with no experience. Her father is a Police Detective and is excited to have her following in his footsteps in a similar line of work.

Dr. Isom stated the Court shows a marked difference in the professional organization of the Court operation and congratulated Mr. Wettlin and Judge Morgan.

4. **Pancake Christmas Breakfast**

The El Mirage Firefighters Charities will host a Christmas Pancake Breakfast on Saturday, December 12th at 8:00 AM at the El Mirage Fire Station. They will be accepting donations in the form of cash, new unwrapped toys and/or new clothing for their Toys-for-Kids toy drive for the holiday season.

5. **Home Improvement Program**

Maricopa County will be hosting a workshop on their Home Improvement Program at the El Mirage Senior Center from 1:30-3:30 PM on Tuesday, December 15, 2015. This informational workshop is free to the public and will educate on ways of providing safe and suitable housing options to residents.

6. **Community Uplift Program**

The Community Uplift Program completed 14 projects in conjunction with Make-A-Difference Day on October 24th and November 7th. Most of the work involved property cleanup, landscaping, painting house trimming, and weeding at the Community Garden. The CUP committee is forming sound working relationships with a solid volunteer base from Dysart High School, Sunset View Baptist Church, Dysart Community Center and Reveal Church of the Vineyard. Dr. Isom offered special thanks to the following El Mirage businesses for their generous donations to these events:

- Southwest Landscape Materials – donated rock for streetscape at one home
- Wal-Mart – donated paint for a project house
- Urban Greenhouse – donated 200 heavy duty lawn and leaf bags
- Walgreen's – donated bottled water
- Domino's Pizza – donated pizza for volunteers lunches
- Mario's Pizza – donated salads for volunteers lunches
- Family Dollar Store – donated sodas for volunteers lunches (personally provided by Store Manager Leticia)

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.

Vice Mayor Ramirez attended the recent Goodwill Ribbon Cutting ceremony and commented on the message that was sent by the Public Affairs Department for the Goodwill Industry thanking the City for their support and warm welcoming of Goodwill to the City.

Councilor Jones reported he became a victim when he had an "uninvited backyard visitor" recently and thanked the Police Department personnel who responded in a very timely manner and who chased the individual over fences. It was an outstanding job by the Police Department.

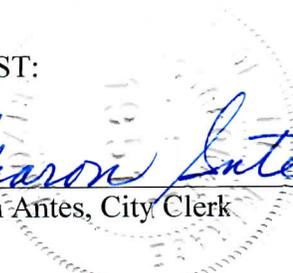
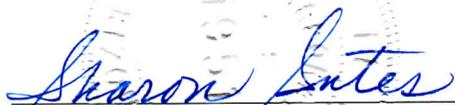
IX. ADJOURNMENT

The meeting was adjourned at 7:15 PM.



Lana Mook, Mayor

ATTEST:

Sharon Antes, City Clerk

I hereby certify the aforementioned minutes are a true and accurate record of the Work Session and Regular Meeting held on December 1, 2015 and a quorum was present.



Sharon Antes, City Clerk