

**WORKSHOP OF THE COMMON COUNCIL
OF THE CITY OF EL MIRAGE
EL MIRAGE CITY COUNCIL CHAMBERS
10000 N. EL MIRAGE ROAD
5:30 PM – THURSDAY, SEPTEMBER 7, 2017**

Minutes

I. ROLL CALL

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

II. CALL TO ORDER

The Workshop was not called to order; Mayor Mook announced the Work Session was cancelled because of a last minute circumstance preventing League representatives from attending this meeting. She apologized on behalf of the League, stated they would re-present at a future meeting and she stated the Regular meeting would be called to order at 6:00 PM as planned because the meeting was already noticed for that time.

**REGULAR MEETING OF THE COMMON COUNCIL
OF THE CITY OF EL MIRAGE
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10000 N. EL MIRAGE ROAD
6:00 PM – THURSDAY, SEPTEMBER 7, 2017**

Minutes

I. ROLL CALL

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

II. CALL TO ORDER

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

Mayor Mook reported the Work Session will be rescheduled as soon as the League of Arizona and Cities and Towns can reschedule.

III. PRESENTATION

PI. Presentation regarding current City of El Mirage debt and potential bond refinancing (Finance)

DCM/Finance Director Robert Nilles reported the City was approached a few weeks ago with an opportunity to refund some of the City bonds and debt. He then introduced Greg Schwartz from Piper Jaffray who has provided asset management, corporate finance and public finance services and been an advisor to El Mirage from 2005 to present. He listed a number of bond transactions and ranking and noted that Piper Jaffray has provided more transactions than any other firm.

Mr. Schwartz explained the ratings definitions and scales for the credit rating companies of Moody's and Standards & Poors and the positioning of El Mirage within the scale; El Mirage is one "notch" below similar AZ and US cities for Moody's ratings (A1 General Obligation and A2 Excise Tax) and equal to similar AZ and US cities for Standards and Poors (AA- General Obligation and A+ Excise Tax).

Moody's 2017 Annual Report shows credit strengths as financial management and financial position. Credit weaknesses include property values, income, and pension liability.

Mr. Schwartz went on to explain the Current Debt Profile for El Mirage identifying the per capita Direct & Special District Debt and "Soft Debt." The current total debt outstanding for El Mirage is \$49,052,716 comprised of three types of debt. Water and Sewer is \$13,307,716 or 27% of the total and is non-rated via WIFA (Water Infrastructure Finance Authority of Arizona), Excise Tax is \$10,740,000 or 22% of the total for streets and City Hall. General Obligation is \$25,005,000 or 51% of the total covering public safety, recreation, facilities, streets and City Hall. Per capita for direct and special district debt is \$1,553 per capita. Of the 24 cities and towns in Maricopa County, El Mirage is #16 for per capita debt. "Soft Debt" represents Public Safety Public Retirement System which is increasingly important to the credit rating criteria and is considered the "Achilles Heel" for Arizona and US cities.

Recent debt restructuring includes Water and Sewer, all non-rated debt, and loans from WIFA. A restructure in August 2016 to January 2017 reduced the number of loans from nine to four by prepaying five loans, partially prepaying one loan and using existing reserves to prepay loans. This action reduced interest expense by \$506,065, and eliminated existing and future reserve requirements on four remaining loans. The direct beneficiary of this restructuring was El Mirage water and sewer users. Other restructuring prior to 2016 includes "Certificates of Participation," excise tax, and sewer.

The new proposed debt restructuring for El Mirage is for refinancing and refunding prior General Obligation bonds. The savings objectives include lower interest rates via refinancing/refunding resulting in a savings of \$768,166. A second objective would be to lower interest rates via higher credit ratings by seeking a Moody's upgrade from A1 to Aa3 or Aa2 and the Standard's & Poors upgrade from AA- to AA. The direct beneficiary would be the El Mirage property tax payers.

Mr. Schwartz then outlined the calendar of events necessary to achieve the General Obligation bond restructuring that proposes to be concluded by the end of November this year.

Mr. Nilles pointed out the City has already taken specific actions that have addressed the “soft debt” by Council approving payments of PSPRS amounts owed to City public safety employees, both Police and Fire. Some cities have opted to take a 30-year option against their PSPRS obligation but doing so will continue to increase their unfunded amounts. This is the kind of decision making that moves the City of El Mirage forward; El Mirage was able to meet this obligation.

Dr. Isom stated it is the intent to proceed with this proposed restructuring. The City has been working on this the past seven years resulting in growth of the community because of the discussions about the City’s financial position. He stated these discussions were previously non-existent; prior to the Council’s first goal-setting session seven years ago, there was no budget, no capital plan and no financial rating for the City. It has taken hard work to accomplish these achievements and he does not take them for granted. The City is in a good financial position today and as such the City can meet obligations that other cities cannot. He thanked Mr. Schwartz and Piper Jaffray for their work and stated he looks forward to continued financial success under the leadership of Mr. Nilles and assistance of Christie Eusebio.

Councilor Delgado commented that actually the ball started rolling when the residents of El Mirage voted to approve a property tax. Prior to that there was no way to do any kind of financing. Mr. Schwartz was here for the Wastewater Treatment Plant financing. The City had no income, threatened lawsuits, and no way to pay for the treatment plant. The people of El Mirage provided the property tax with their vision and he commends the residents for getting things done.

Dr. Isom made the comment that he understands the dynamics but wanted to set the record straight that prior to the goal setting sessions the City was not in the sound financial condition it is today. Acknowledgements were exchanged between Dr. Isom and Councilor Delgado.

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.

Resident Carrie Barter asked why the City will not fund more manpower to staff a second engine. She stated response times are higher than the national standard and questioned why this is acceptable. She asked how a department of 24 can be expected to respond to calls, do inspections and hydrant testing, and not see the need to increase manpower.

Resident Dale Stackhouse asked why the City Manager is able to put 10% of his pay into a deferred payment plan when firefighters are only allowed to contribute \$10 into it; how is this fair and equal across the board. He further stated the Council and citizens all voted for a second firehouse right next door to the Police Department and YMCA so why has it not been built yet. Also, how is it that response times for the department are almost doubled with one engine running at all times. And, how is it we manage to put cameras on every corner for speeding but we cannot put more cops on the beat.

Mayor Mook informed both speakers that this is call to the public so no answers could be given this evening but asked if they would like answers in open Council at the next meeting; they both responded yes to having answers in public at the next meeting.

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 the minutes of the Regular Council meeting held Tuesday, August 15, 2017 and the Special Council Meeting held Thursday, August 17, 2017. (City Clerk)
2. 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 total amount of \$110,744. (Public Works)

Councilor Jones moved to approve Items 1 and 2 as presented on the Consent Agenda; seconded by Councilor Palladino. Motion carried unanimously (6/0).

VI. REGULAR AGENDA

- A. Public hearing to receive comments from the general public regarding the Thompson Ranch Parcel A Plat annexation, closure of public hearing. (Community Development)

Mayor Mook opened the Public Hearing.

GIS/Development Services Coordinator Jose Macias reported that the Council-approved blank annexation petition was filed on August 16, 2017. ARS § 9-471 requires a Public Hearing within the 10-day period before the end of the 30-day waiting period to receive public comments regarding the proposed annexation. The site summary is 1.5 Acres on the Parcel A Plat in the Thompson Ranch site north of Grand Avenue and east of Thompson Ranch Road. Signatures will be collected from the one owner and the annexation deadline is September 16, 2018.

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

- B. Consideration and action to approve the Amendment to the El Mirage Road Intergovernmental Agreement (IGA) with the Maricopa County Department of Transportation (MCDOT) and annex approximately 1,355 linear feet of Olive Avenue. (Community Development)

Assistant City Engineer Bryce Christo reported the original IGA with Maricopa County, Paragraph 27.4, for the design and construction provided for annexation of all portions of the project phase not already within the City no later than upon completion of the Maricopa County road project. The only portion of that project that is not within the City is Olive Avenue between El Mirage Road and 121st Avenue. The County requested an amendment to the IGA.

In the revised IGA, Paragraph 27.4 of the Agreement is deleted and replaced with the following: *“The City shall annex all portions of the Project phase not already within the City, including the road and all areas within the full right-of-way limits of the Project phase except the portion of Olive Avenue east of the east right-of-way line of 121st Avenue (approximately Station 149+55 per the TT-367 plans prepared by Premier Engineering dated 12-14-16), no later than upon completion of construction. The City will be responsible for the permitting, operations and maintenance of these portions upon the execution of the annexation.”*

Councilor Delgado asked if some of the money in the partnership for this project would cover this process and Mr. Christo stated there is no money involved except for recording of the documents.

Councilor Jones moved to approve the Amendment to the El Mirage Road Intergovernmental (IGA) with the Maricopa County Department of Transportation (MCDOT) and annex approximately 1,355 linear feet of Olive Avenue; seconded by Councilor Palladino. Motion carried unanimously (6/0).

- C. Public hearing, closure of public hearing, followed by consideration and action to approve Resolution R17-09-14 annexing 2.7 acres of right-of-way on Olive Avenue and declaring the Resolution attached Exhibits “A” and “B” as a public record for publishing per A.R.S. § 9-802. (Community Development)

Mayor Mook opened the Public Hearing.

GIS/Development Services Coordinator Jose Macias reported the El Mirage Road Intergovernmental Agreement was originally signed in 2011 and amended in 2017. This proposed annexation provides 2.7 acres of right-of-way, starting at the intersection of El Mirage Road and Olive Avenue and running east to the intersection of 121st Avenue, approximately 1,355 feet. Arizona State Statute § 9-471 (N) provides for annexation of territory consisting of a roadway or right-of-way from one governing agency to another if there is a mutual consent by both parties and the territory is adjacent to the receiving City. City staff is requesting the approval of Resolution R17-09-14 as presented. With council approval of Resolution R17-09-14,

this ordinance by reference to the resolution can be published without the attachments, per state law, thereby saving substantial publishing cost.

There were no public comments and Mayor Mook closed the Public Hearing.

Councilor Jones moved to approve Resolution R17-09-14 annexing 2.7 acres of right-of-way on Olive Avenue and declaring the Resolution attached Exhibits “A” and “B” as a public record for publishing per A.R.S. § 9-802; seconded by Councilor Palladino. Motion carried unanimously (6/0).

- D. Public hearing, closure of public hearing, followed by consideration and action to approve Ordinance O17-09-10 annexing 2.7 acres of right-of-way on Olive Avenue and declared to be a public record by reference in Resolution R17-09-14. (Community Development)

Mayor Mook opened the Public Hearing.

Mr. Macias reported the information relevant to this ordinance was provided in the previous agenda item of the Public Hearing for the Resolution R17-09-14.

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

Councilor Jones moved to approve Ordinance O17-09-10 annexing 2.7 acres of right-of-way on Olive Avenue and declared to be a public record by reference in Resolution R17-09-14; seconded by Councilor Palladino. Motion carried unanimously (6/0).

- E. Consideration and action to renew the employment agreement under existing terms and conditions with Presiding Judge B. Monte Morgan for a 4 year term from September 17, 2017 through September 16, 2021. (Mayor)

Presiding Judge B. Monte Morgan addressed Council and commented he hopes Council will consider renewing his contract as he has enjoyed the last four years of service as the El Mirage Presiding Judge.

Mayor Mook stated there is no vacancy on the Court and Judge Morgan has expressed a desire to continue with the City of El Mirage under the same terms and conditions as the existing agreement. Mayor Mook recommended renewal.

Councilor Shapera stated Judge Morgan is doing a great job.

Councilor Delgado stated Judge Morgan is doing a great job. He has heard nothing but good reviews and everyone raves about him; he told Judge Morgan to continue with the good work.

Councilor Palladino stated Judge Morgan has definitely turned the Court system around in the City of El Mirage for the positive and thanked him very much.

Councilor Selby stated the changes have been all for the better and thanked Judge Morgan.

Councilor Jones stated Judge Morgan has done an excellent job.

Councilor Jones moved to renew the employment agreement under existing terms and conditions with Presiding Judge B. Monte Morgan for a 4-year term from September 17, 2017 through September 16, 2021; seconded by Mayor Lana Mook. Motion carried unanimously (6/0).

F. Discussion regarding the vacant Council seat. (Mayor)

Mayor Mook state the reason this item is on the agenda is because of the comment she made at the last meeting which she read: *“At this point, Council has not been able to appoint an applicant to fill the vacancy and we will re-agendize the issue at the next Regular Council Meeting in an effort to find a solution. I am sorry we were not able to come to a decision tonight but I wanted to thank all the applicants for applying and I must agree they were all terrific, they all made good presentations, answered the questions and I was very very happy to see the number of applicants that came out for this as well. So thank you for applying and showing your interest in serving this community. This meeting is adjourned.”*

She stated the City has researched several possible options which are: 1) leave the vacant seat open until the 2018 Primary Election on August 28, 2018; 2) re-agendize nominations of the existing seven applicants; 3) advertise and accept more applications for further consideration; or, 4) hold a Special Election (though that is not a viable option because Special Elections are held only for Recalls, Initiatives and Referendums, except for Charter Cities, and El Mirage is not a Charter City). Even if a Special election could be held, the cost would be in excess of \$40,000 and time requirements would also be an issue.

Historically, this Council’s motions are generally passed unanimously with a few exceptions, so governing the City would not be hampered with waiting until the 2018 election cycle and let the voters decide.

Councilor Shapera stated he agrees with the Mayor (to wait until the 2018 election).

Councilor Delgado stated he agrees also.

Councilor Jones stated he agrees.

Councilor Palladino stated he agrees.

Councilor Selby stated he agrees.

There was not a vote on this matter, consensus only.

VII. EXECUTIVE SESSION

- G. Consideration and action to adjourn in to Executive Session for discussion on real property per A.R.S. § 38-431.03.7.

Dr. Isom suggested Council may want to consider moving on with the remainder of the agenda at this time and moving the Executive Session to the end of the meeting

Councilor Delgado moved to postpone the Executive Session to the end of the meeting; seconded by Councilor Palladino. Motion carried unanimously (6/0).

VIII. 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.

1. New Employees

Police Chief Terry McDonald introduced Police Officer Teron Clay. He was born in Fontana, CA, raised in Los Angeles and is the third child of six. He was a 3-sport athlete in high school, football, baseball and basketball. After high school, Teron joined the Air Force and served as a military police officer. Upon discharge he held different jobs though law enforcement; it has always been his passion to help those in need, as well as provide a positive role model for the youth that he comes across. In 2005 Teron joined the Arizona Department of Corrections to pursue his career in law enforcement. He is married and has four children. Chief McDonald stated he is happy to have him aboard. Officer Clay addressed Council and stated he is honored to be a part of El Mirage and looks forward to a long career in the department and getting to know each and every one. He added he sometimes looks stoic but he is really a gentle giant.

Assistant Public Works Director Nick Russo introduced Raul Armenta, Maintenance Worker II (Facilities). He comes from the private sector with 10 years on the facilities side and has a variety of experience including HVAC, plumbing, and drywall. He will be looking at all the City facilities. Originally from California, he is a Dodgers fan. He moved here in 2007 and has a 7-year-old son. He lives here with in El Mirage and coaches White Tanks Little League in his free time. Mr. Armenta addressed Council and stated is happy to be serving the city he calls home and he looks forward to a long career with the City of El Mirage.

2. Storm Water Meeting re: Anti-Litter Campaign

Environmental Compliance Coordinator Jamie McCullough reported the City of El Mirage is a member of the Stormwater Phase II Coalition of small cities regulated by a State General Stormwater Permit. The coalition was organized for the stakeholder process during comment period for reissuing the stormwater

permit that went into effect September 2016. Members of the coalition include Luke, Maricopa County and west valley cities. The coalition continued to exchange ideas and share information to help manage stormwater and to stay in compliance with the Stormwater Permit.

She reported that she attended a workshop on August 29, 2017 hosted by Maricopa County for the coalition. The question asked at this meeting was “what is the major stormwater pollutant of concern?” and the coalition was unanimous in their opinion that garbage is the pollutant of concern. During the roundtable discussion all entities presented what they were doing for their communities.

Ms. McCulloch presented the City Manager’s anti-litter campaign of “Let’s Pick It Up” and told the group about the pollution prevention news articles, photo contest, t-shirts and Do Not Litter signs. The campaign was well received by the group and there was a lot of interest. She reported she approached after the meeting by a County stormwater employee who was very interested in the details of the campaign as Dr. Isom’s “Let’s Pick It Up” meets two of the requirements of the stormwater permit - public education and public participation.

Dr. Isom thanked members of the staff for helping support the “Let’s Pick It Up” program, noting management staff Amber Wakeman, Jeffrey Anderson, Autumn Grooms and Nick Russo who have met on a weekly basis to determine how to keep the campaign fresh. They will continue this effort as they have seen a difference. He stated he realizes he is not just an employee here, he actually lives here as well. His son walks to school with his neighbors and when he walks the neighborhood he is stepping over garbage, too. He stated that at some point something need to be done and it is his pleasure to have come up with an idea that seems to be catching on and he wishes the community continued success.

3. Current Event

City Manager Isom reported about Fire Department response times. He stated he has learned that there are actually three aspects of response times according to NFPA. First is dispatch time. The City firefighters have little impact over dispatch time as that is controlled through the Phoenix CAD system. Another aspect is travel time which is somewhat controlled by such variables as construction, traffic, and school letting out. The third aspect and the one aspect that a professional fire association has complete control over is turnout time. Turn out time is defined as the time from when the bell rings in the station to when all four firefighters are on board the engine and ready to leave the station. El Mirage, like most all of the surrounding communities and throughout the state, does not have a policy on turnout time. He stated he noticed in his review of the turnout time it seemed to be so low it raised questions. One occasion noted a turnout time of 14 or 17 seconds which he stated is a time frame that is physically impossible in which to get dressed, get on a vehicle and hit the button. He stated he has started to look at developing policies and best practices, which he believes El Mirage may not be the first nor the last in Arizona to develop, regarding turnout time to ensure that when firefighters are on board and the button is hit,

there is some assurance that all four firefighters are in the seat and ready to go; by amending the fire department monthly reports to include those numbers it is believed that, over time, it will be determined if response times are reduced. Another matter identified was that when travel times are tracked, they are banded which includes large areas for the response times reported; response times are reported for the area north of Cactus but areas south of Cactus, such as to the industrial park are reported as the same time as a response time from Cactus to Peoria. He stated that as City Manager, he and Council depend on the expertise of the Police Chief and the Fire Chief to manage their respective departments and these are not questions that the manager should need to be asking. He indicated the matter has been addressed and that there will most like be more discussion regarding a policy of turn out time. He reported that he had talked to his colleagues in the fire service, both staff and management, and they have concurred with his assessment stating they also believed a policy was needed. He also reported that one colleague stated they had “fudged” that and Dr. Isom stated that El Mirage should no longer be fudging that.

He stated that reviewing Public Safety as a resident here also allows him to see what is happening around the community. The City has recently received a report from the League of Arizona Cities and Towns that finalized mid-census numbers for El Mirage from 31K to 35K residents. In order to maintain an average ratio of one officer/thousand residents, an additional four police officers will be asked for from Council in the FY 2018/19 year. Adding four police officers, however, will require considerable cost and he asked DCM/Finance Director Robert Nilles to explain the cost requirements.

Mr. Nilles provided a PowerPoint presentation showing the FY 2018/2022 five year General Fund ending balance is projected to be \$4,000. Hiring four entry level officers would require a one-time cost of \$170,000 for 2 squads, officer equipment and hiring. The first year operating cost would be \$400,000 and a 5-year total cost of \$2.3 Million. The 5-year total salary/benefit costs to the City would be \$2,172,000 and the 5-year total costs for uniform allowances and Shooters World Membership would be \$24,800. First year one-time equipment costs (handgun, rifle, taser, ballistic vest, body camera, badge and radio) for one officer in FY 18/19 would be \$47,600 times four officers. Additional costs (marked vehicle per two officers and additional vehicle equipment) would be \$60,000.

He stated there are grant possibilities from the COPS Hiring Program (CHP) with the grant applications opening in May and completed applications due in July. This grant has a good possibility to off-set some costs.

Assuming four entry level Officers and no other changes, the projected FY 2018-2022 (5-year) General Fund Ending Balance would be Negative \$1,866,000 in FY 2022 and Negative \$2,334,000 in FY 2023.

Dr. Isom summarized by saying there are currently 35K residents and he sees the benefit of adding additional boots on the ground. A review of the City crime stats

shows there have been deductions in some areas and increases in others. There will be fluctuations from year to year across the board with regard to different types of crime. The focus on receiving new officers, if approved, will be for the Police Chief and his management staff to dedicate these resources to areas where there have been slight increases. The focus could adjust from year to year, (i.e., larceny one year, assaults in others) but boots on the ground will make this city safer. Dr. Isom would like see boots on the ground become a reality. That will require some belt tightening throughout the organization and there may be less disposable income for new wants or projects that may be identified.

IX. 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.
No Council comments were received.

X. EXECUTIVE SESSION

H. Consideration and action to adjourn in to Executive Session for discussion on real property per A.R.S. § 38-431.03.7.

Councilor Delgado moved to adjourn into Executive Session at 7:20 pm for discussion on real property per A.R.S. § 38-431.03.7; seconded by Councilor Palladino. Motion carried unanimously (6/0).

Councilor Delgado moved to close the Executive Session at 7:57 pm and adjourn into regular session; seconded by Councilor Palladino. Motion carried unanimously (6/0).

XI. REGULAR SESSION RESUMED

Mayor Mook reported the Council no action was need on this matter; legal advice was discussed regarding sale of real property.

Councilor Delgado moved to adjourn the meeting; seconded by Councilor Palladino. Motion carried unanimously (6/0).

XII. ADJOURNMENT - The meeting was adjourned at 7:58 pm.



Lana Mook, Mayor

ATTEST:


Sharon Antes, City Clerk

I hereby certify the aforementioned minutes are a true and accurate record of the Regular El Mirage City Council Meeting held on September 7, 2017 and a quorum was present.



Sharon Antes, City Clerk