

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
CITY COUNCIL CHAMBER
March 23, 2026

A **Regular Meeting** of the City Council of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 5:35 p.m.

Mayor Mike Pineda led the Pledge of Allegiance, followed by a moment of silent reflection.

Members Present: Mayor Mike Pineda; Vice Mayor Curtis Nielson; Councilmembers Tina Conde, Jeannette Garcia, Gloria Solorio, Shari Weise, and Max White*.

*Councilmember White attended the meeting virtually.

Members Absent: None.

Other Municipal Officials Present: Ron Corbin, City Manager; Tracy Stevens, Assistant City Manager; Katie Gregory, Assistant City Manager; Dale Nannenga, Deputy City Manager; Nicholle Harris, City Attorney; Marcella Sarmiento, City Clerk; Liz Barker Alvarez, Intergovernmental Affairs Administrator; Kirk Beaty, Public Works Director; Barbara Coppage, City Auditor; Memo Espinoza, Police Chief; Craig Jennings, Judge; Corey Larriva, Parks and Recreation Director; Chris Lopez, Neighborhood and Family Services Director; Andy Mesquita, Human Resources Director; Kimberly Moon, Engineering Director; Jodie Novak, Development Services Director; Abril Ruiz-Ortega, Court Administrator; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; Jennifer Stein, Economic Development Director; and Renee Weatherless, Finance and Budget Director.

Audience: Approximately 5 members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. UNSCHEDULED PUBLIC APPEARANCES

Maria Alvarado expressed concern regarding potential reductions in the budget for Councilmember training, including national conference attendance and networking opportunities. She emphasized this training is money well spent because it provides fair, ethical and proper representation for the City of Avondale.

3. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Councilmembers may pull items from consent if they would like them considered separately.

Mayor Pineda asked if any Councilmember wished to have an item removed from the Consent Agenda. Having no requests from Council, motion was made by Councilmember Solorio, seconded by Vice Mayor Nielson, to approve the Consent Agenda.

Upon vote, the motion was carried unanimously 6 to 0.

Councilmember Conde	Aye
Councilmember Garcia	Aye
Councilmember Solorio	Aye
Councilmember Weise	Aye
Vice Mayor Nielson	Aye
Mayor Pineda	Aye

Councilmember White was not present at the time of the vote due to technical difficulties.

a. RESOLUTION 1018-0326 - 2026-2027 HUD ANNUAL ACTION PLAN

City Council adopted Resolution 1018-0326, approving the City's 2026-2027 Annual Action Plan, identifying housing and community development needs and strategies and defining how Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds will be allocated next fiscal year and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

b. RESOLUTION 1019-0326 - AUTHORIZING THE GRANT APPLICATION AND ACCEPTANCE OF FUNDS FROM THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY IMPAIRED DRIVING PROGRAM

City Council a) adopted Resolution 1019-0326, authorizing the application and acceptance of grant funds by the Governor's Office of Highway Safety in the amount of \$48,748, which supports the Police Department's funding of Personnel Services (Overtime) and Employee Related Expenses to enhance DUI/Impaired Driving Enforcement Overtime through the City of Avondale; b) authorized and direct staff to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and c) authorized the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents.

c. RESOLUTION 1020-0326 - AUTHORIZING THE GRANT APPLICATION AND ACCEPTANCE FROM THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY FOR OCCUPANT SAFETY PROGRAM

City Council a) adopted Resolution 1020-0326, authorizing the application and acceptance of grant funds by the Governor's Office of Highway Safety for the Occupant Safety program in the amount of \$5,936; b) authorized and direct staff to take all steps necessary to cause the execution of the application and if awarded the acceptance of the agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and c) authorized the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents.

d. RESOLUTION 1021-0326 - INTERGOVERNMENTAL AGREEMENT WITH LITTLETON ELEMENTARY SCHOOL DISTRICT #65 FOR SHARED USE OF FACILITIES

City Council adopted Resolution 1021-0326, approving an Intergovernmental Agreement with Littleton Elementary School District #65 relating to reciprocal use of facilities and authorized the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents.

e. RESOLUTION 1022-0326, RESOLUTION 1023-0326, AND RESOLUTION 1024-0326 - AUTHORIZING THE APPLICATION AND ACCEPTANCE OF PROP 202 GRANT AWARD PROPOSALS TO THE GILA RIVER INDIAN COMMUNITY, TOHONO O'ODHAM NATION AND AK-CHIN INDIAN COMMUNITY

City Council a) adopted Resolution 1022-0326, authorizing the submission of an application and the acceptance and administration of Proposition 202 grant award from the Ak-Chin Indian Community; b) adopted Resolution 1023-0326, authorizing the submission of applications and the acceptance and administration of Proposition 202 grant awards from Gila River Indian Community; and c) adopted Resolution 1024-0326, authorizing the submission of applications, and the acceptance and administration of Proposition 202 grant awards from the Tohono O'Odham Nation; and d) authorized and direct staff to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and e) authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. These proposals support the Police Department, Parks, Recreation and Libraries, and a local non-profit, A Mighty Change of Heart.

f. ORDINANCE 2006-0326 – GRANTING OF A RIGHT-OF-WAY EASEMENT ACROSS CITY-OWNED PROPERTIES TO ARIZONA PUBLIC SERVICE

City Council adopted Ordinance 2006-0326, authorizing the granting of a right-of-way easement across two City-owned properties located on the east side of El Mirage Road, north of Indian School Road to Arizona Public Service and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

g. ORDINANCE 2007-0326 – ABANDONMENT OF A DRAINAGE EASEMENT

City Council adopted Ordinance 2007-0326, authorizing the abandonment of a drainage easement generally located south of Pioneer Street and west of El Mirage Road and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

h. ORDINANCE 2008-0326 – ACQUISITION OF REAL PROPERTY LOCATED GENERALLY NORTH OF LOWER BUCKEYE ROAD AND EAST OF 4TH STREET

City Council adopted Ordinance 2008-0326, authorizing the acquisition of fees or lesser interest of real property by purchase, dedication, or condemnation, for public use located generally north of Lower Buckeye Road and east of 4th Street and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

i. MINUTES

City Council approved February 23, 2026, and March 2, 2026, City Council meeting minutes.

4. REGULAR AGENDA

a. GENERAL OBLIGATION (G.O.) BONDS PRESENTATION

Renee Weatherless, Finance and Budget Director, presented the General Obligation (G.O.) bond election results and provided information regarding potential future ballot questions. Ms. Weatherless introduced Paul Bentz, Senior Vice President at HighGround Public Affairs Consultants, who provided a recap of the 2025 bond election and discussed the results with the Council.

During the 2025 election cycle, voter participation in Avondale totaled 16.7 percent, with 7,772 registered voters casting ballots. An undervote, meaning voters did not cast a vote on a particular item, was recorded for both bond questions. Staff noted that in a typical mid-term or gubernatorial election cycle, voter turnout averages approximately 65 percent, or around 30,000 voters, with even higher participation during presidential election years.

A comparison of anticipated versus returned ballots showed that the projected higher turnout among voters aged 50 to 65 closely aligned with actual results. Similarly, turnout among Democratic, Republican, and Party-Not-Declared voters was consistent with anticipated levels. Overall, the HighGround Consultants' anticipated model closely reflected the results.

Proposition 404 passed by 275 votes; however, there was a 295-ballot undervote. A precinct-level review indicated that the Devonshire Precinct had an unrelated local item accompanied by a "No" campaign, which affected voting patterns on Propositions 404 and 405, as well as Propositions 403 and 406 (West MEC technical education), and 409 (healthcare facilities funding), all of which failed in that precinct and influenced the overall outcome. Proposition 405 failed by 13 votes and a 523-ballot undervote. Staff noted that the City Staff conducted extensive public outreach and information efforts, and the measure's narrow margin was significantly impacted by the Devonshire Precinct, where the "No" campaign resulted in a net loss of 218 votes.

Ms. Weatherless reported that there has been discussion regarding the possibility of pursuing another bond election. Mayor Pineda will engage the City Council in determining whether to return the question to voters in a future election, whether a Bond Committee should be established, and whether the ballot question should focus solely on public safety or include additional topics.

Mayor Pineda stated that, based on the analysis of the election results, the City should consider returning to the voters sooner rather than later with a single public safety bond question.

Councilmember White questioned whether changes should be made to the name or content of the bond. She also expressed concern regarding the cost of establishing a Citizen Bond Committee and holding an election. Mr. Corbin asked Mr. Bentz to provide his recommendation on whether to pursue a November 2026 election, whether to form another Citizen Committee, and what next steps should be considered.

Mr. Bentz stated that he does not shy away from the use of a citizen committee, noting that such committees provide subject-matter expertise and serve as champions who can help

communicate the issue to the public. He explained that the November 2026 gubernatorial election is expected to include multiple statewide ballot measures, which may increase competition for voter attention. He noted that these elections typically draw three to four times more voters, particularly younger voters. Regardless of the approach, he emphasized the need for a comprehensive public awareness effort, especially in the area where the facility would be located. He added that public safety remains an ongoing need for a growing community.

Mayor Pineda commented that improved communication and targeted outreach in the Devonshire District and southern Avondale, where the facility would be located, may help the measure succeed.

Councilmember White reiterated her budget concerns and asked City Clerk Marcella Sarmiento about the cost of an off-cycle election. Ms. Sarmiento reported that the recent bond election cost approximately \$80,000. Councilmember White noted that placing the bond question on the November ballot would be more cost-effective and should be included in the budget. Ms. Sarmiento clarified that there would be no additional cost to add the bond question to the ballot during Maricopa County's candidate election cycle, with the City's only expense being the printing of publicity pamphlets. Mr. Corbin asked whether there was sufficient time to establish a citizen committee for the November 2026 election. Ms. Sarmiento responded that it would be possible but would result in a compressed schedule and reduced depth of committee discussions compared to the previous process.

Councilmember Solorio stated that the need for the bond remains and that pursuing the November election is feasible. She questioned whether a Citizen Committee was necessary if the bond question remained unchanged. Mr. Corbin expressed concern about the ability to educate, advocate, and campaign for the bond without a committee, noting that these functions are often carried out by committee members. Councilmember Solorio observed that, in her experience, advocacy during the previous election came primarily from associations rather than committee members. She suggested that improved advocacy and clearer messaging may strengthen support for the bond.

Councilmember Conde agreed that the need persists and stated that returning to the voters while the issue remains fresh may help maintain momentum. She suggested that staff engage with HOAs and residents in the Alamar community to highlight the benefits of the bond and build support.

Mr. Corbin asked Mr. Bentz to address the placement of the bond question on the ballot and the potential for voter drop-off. Mr. Bentz noted that the ballot will use short descriptive language, will be two pages in length, and will list the bond question after the judicial retention items. He added that it is not yet known whether other failed or controversial bond questions will also appear on the ballot.

Councilmember Garcia stated her belief that party affiliation influenced the previous election results due to current national dynamics. She expressed confidence that the outcome would differ in November due to higher turnout. To reduce costs, she stated that a citizen

committee may not be necessary and noted that associations appear willing to assist with advocacy and education.

Vice Mayor Nielson expressed concern about the lack of information provided on the previous ballot and recommended including clearer language to help voters understand the purpose of the bond.

Mayor Pineda asked about the advantages and disadvantages of forming a new citizen committee. Mr. Bentz responded that a committee helps build community buy-in by allowing residents to review the proposal and make recommendations. He suggested focusing messaging on the continued need for the project and the City's responsibility to address the needs of a growing community.

Councilmember Weise expressed support for returning to the voters with a public-safety-focused bond question, not establishing a new bond committee, and increasing public education efforts, particularly in the area where the facility would be located.

b. COUNCIL BUDGET DISCUSSION

Renee Weatherless, Finance and Budget Director, presented an update on the City's financial outlook and requested Council feedback on the Fiscal Year (FY) 2027 draft budget. She began with a review of the strategic plan outcomes and the budget priorities established for FY2026.

Ms. Weatherless reported that the five-year revenue forecast includes no structural changes. The City has already experienced the loss of residential rental sales tax revenue and has not projected any additional losses beyond those currently known. She noted that the incorporation of San Tan Valley will result in a reduction of recurring State Shared Revenue, including a loss of \$667,000 to the General Fund and \$143,000 in HURF funding, totaling approximately \$3 to \$4 million over five years. A second anticipated revenue impact relates to tax conformity under HCR-1. If the State aligns with federal wage standards, the City could lose between \$600,000 and \$1.2 million; for budgeting purposes, \$880,000 has been included until the full impact is known.

Single-family home permit projections were increased from a range of 200–500 to 300–600 based on recent trends. Following extensive Council discussion, the FY2027 tax rate will not be increased by the allowable two percent. Contracting sales revenue, a cyclical source, is being maintained at a conservative level. Sales tax revenue remains the City's largest revenue source, with a 10-year average annual growth rate of seven percent. Beginning in FY2027, projected growth is reduced to two percent, increasing by one percent each subsequent year until returning to historical trends. This adjustment accounts for anticipated revenue from the data center.

On the expenditure side, Ms. Weatherless reported compensation increases totaling \$2.2 million, inflation estimated at three percent annually, costs associated with the Southern Avondale Public Safety Station, staffing for that facility beginning in FY2028, significant increases in medical expenses driven by 17 percent inflation and high-dollar claims totaling \$4.3 million, and rising transit costs.

During budget development, departments collectively reallocated \$3.7 million from baseline budgets to support new requests and priorities. The Capital Contingency, historically maintained at \$5 million, will be reduced to \$4 million in FY2031. Reductions were also made to capital funds, including \$3 million from Vehicle Replacement and \$2 million from Asset Replacement. The City will need to issue General Obligation Bonds (GOB) this year, with presentations scheduled for May 4 and June 1, 2026, regarding the use of Parks, Enterprise, and Alamar CFD GOB approval.

The five-year forecast for the General Fund shows ongoing expenditures beginning to outpace ongoing revenues following the loss of residential rental tax revenue in January 2025. The FY2027 draft budget is structurally balanced for ongoing revenues and expenses, with structural balance again projected in FY2031. Ms. Weatherless noted that the projected \$1 million General Fund balance in FY2031 represents one-time dollars resulting from adjustments made to ongoing expenses in FY2027.

Projected fund balances include a \$2.8 million minimum balance for the Public Safety Sales Tax Fund, which primarily supports Police and Fire salaries. The Dedicated Sales Tax Fund has a projected balance of \$12.8 million with a minimum balance of \$800,000 and will assume certain debt service obligations previously funded by the General Fund. The Highway User Revenue Fund (HURF) has a projected balance of \$700,000 and no minimum balance requirement.

Regarding personnel, the draft budget includes 7.5 FTEs. Several temporary positions are being converted to full-time, resulting in no net increase in cost. Four new Public Works FTEs are included and funded through existing rates. The only new personnel cost to the General Fund is a 0.5 FTE Park Specialist.

Ms. Weatherless reviewed supplemental requests and program funding included in the draft budget. In General Government, the City Auditor requested \$100,000 for consultant-assisted audits; \$60,000 was approved as a one-time expense. In Human Resources, \$1.5 million was approved for replacement and ongoing costs associated with the payroll system currently under evaluation. Public Safety highlights included funding for the new Fire Department training facility, overtime adjustments, increased costs for the Police Advocacy Center, the CAD mobile app, the drone-as-first-responder program, and 58 additional license plate reader cameras funded through RICO for two years. Community Services, Development Services, Economic Development, Engineering, Information

Technology, and Public Works also presented funding needs, with Public Works noting inflationary impacts.

In summary, the FY2027 operating budget allocates 37 percent to General Government, 32 percent to Public Safety, and 13 percent to Utilities.

In response to Councilmember questions, Mr. Corbin explained that the Southwest Advocacy Center is jointly utilized by four cities, with costs shared equally among them. He noted that once the new facility opens, a fifth city will also participate and share in the operating costs.

Mr. Corbin further reported that the new payroll system will require a one-time expenditure of \$1 million for citywide implementation, with an additional \$500,000 allocated for ongoing support. He emphasized the importance of departmental accountability, noting that Human Resources and Finance are leading the implementation effort with support from Information Technology. The previous contracts will be terminated, and the new system costs will represent the ongoing financial commitment moving forward.

Ron Corbin, City Manager, presented proposed budget reductions included in the FY2027 draft budget and requested Council feedback. He explained that each department was directed to reduce its budget by three percent. Mr. Corbin reviewed the slide titled "Budget Item Discussion – Budget Reductions Included in FY27," which summarized departmental impacts.

He reported that a Security Officer position and a Senior Planner position will remain vacant for the next two years, resulting in a reduction of more than \$250,000. The Finance and Budget Department will see a \$200,000 reduction as credit card fees are transitioned to consumers. Information Technology identified approximately \$380,000 in reductions by transitioning the live stream to a traditional platform and eliminating unused software licenses. Public Works reduced its budget by approximately \$400,000 through repairs to the security gate that eliminated the contracted security services and improving supply management.

The Parks Department achieved more than \$350,000 in reductions through changes to landscaping, mowing, and seeding schedules, as well as the elimination of certain events. Mr. Corbin reviewed the slide titled "FY2027 Proposed Event Adjustments," which outlined nine event date reductions. These include the second day of the Tres Rios Nature Festival and Billy Moore Days Festival, along with the Hoot N' Hustle 5K, Dunk N' Dash Swim/Run, and other community events.

Mr. Corbin explained that several requests were not included in the FY2027 budget; however, Council may, by consensus, direct staff to add specific items back into the budget. Should Council choose to do so, the next step would be to identify the funding source. He reviewed the slide titled "Budget Item Discussion – Requests Not Included in FY27," which outlined the four excluded requests.

Mr. Corbin reminded Council that the document presented is a draft budget and that their input on these four items is being sought prior to the revised recommended budget scheduled for presentation on April 1, 2026. He emphasized that any additions must be offset by reductions elsewhere, and conversely, any reductions create capacity for additions.

In response to a Council question, Jennifer Stein, Economic Development Director, provided an overview of the Food and Beverage Grant Program.

Several Councilmembers expressed support for reinstating \$40,000 to fully fund the Audit Department's \$100,000 request, citing transparency and the importance of meeting audit needs. Others noted that an \$80,000 allocation might be sufficient, and that if all requests cannot be funded, none should be added. It was also noted that the request represents a one-time need and that the department is not prevented from completing its work.

Mr. Corbin concluded by noting that adjustments to the budget may continue throughout the process, as it will return to Council as a recommended budget, tentative budget, and final budget.

Mr. Corbin continued his presentation with a review of the slide titled "Items for Council Direction," which included the following proposed removals from the FY2027 budget:

- City Council discretionary spending reduction of \$1,000
- Greater Phoenix Equality Chamber of Commerce annual membership fee of \$750
- Chamber of Commerce contract for \$40,000
- NASCAR sponsorship for \$25,000
- Litchfield Heritage Center funding of \$10,000

After providing an explanation of each item, Mr. Corbin requested Council direction on whether to retain or remove the items from the budget as recommended.

Council discussion regarding the discretionary spending reduction focused on the importance of consistency, noting that other departments were being asked to reduce their budgets and Council should do the same. Several Councilmembers stated they rarely used their discretionary funds, often donating them or allowing them to roll over. Two Councilmembers who frequently travel for conferences emphasized the importance of discretionary funds for out-of-state travel that has resulted in grant opportunities for the City. Suggestions included creating separate travel and discretionary accounts and allowing Councilmembers to share discretionary funds with one another.

Regarding the Greater Phoenix Equality Chamber of Commerce membership, Mr. Corbin explained that participation would demonstrate support and inclusivity for businesses owned by members of the LGBTQ+ community. Council discussion noted that Avondale already participates in an inclusive Chamber of Commerce and could use its ten free memberships to engage additional businesses. Councilmembers also expressed caution about creating or supporting duplicative chambers.

Council reached consensus to remove the \$25,000 NASCAR sponsorship from the budget. The sponsorship includes logos, advertisements, social media promotion, press releases, and parking tickets. Councilmembers agreed to redirect the \$25,000 to help offset the \$40,000 reinstated for audit services. Councilmember White serves as the Council's representative through the NASCAR Accelerator Program.

Regarding the \$10,000 allocated to support the Litchfield Heritage Center, which preserves Avondale's history and is funded through Tourism, Council unanimously agreed to continue funding the center.

In support of maintaining the annual \$40,000 Titanium-level membership with the Chamber of Commerce, Mr. Corbin reviewed the benefits and bonuses the City received during the current year as part of its membership. He also provided a comparison of the Titanium and Platinum membership levels, highlighting differences in leadership opportunities, influence, and customized engagement.

Council discussion reflected a general consensus to remain at the Titanium level. However, a few Councilmembers expressed interest in trying the Platinum level for one year, noting that it provides all essential components while some of the additional Titanium-level features were viewed as non-essential. It was also noted that Avondale is the only city currently participating at the Titanium level.

Human Resources Director Andy Mesquita presented the recommended changes to the City's employee compensation and benefits for FY2027. He stated that the overall goal is to maintain competitive compensation while balancing fiscal responsibility. The combined salary costs budgeted for all employee groups total \$4 million for FY2027 reflecting a balanced approach to supporting recruitment and retention in Avondale.

Mr. Mesquita reviewed the proposed adjustments for each employee group:

- Fire MOU employees will receive a merit step increase and a 3.5% increase across the step plan.
- Public Safety employees (Officers, Sergeants, Lieutenants, and Battalion Chiefs) will receive a one-step increase ranging from 3.8% to 5%, along with a 3% cost-of-living allowance (COLA) across the step plan.
- General Staff will receive a 2% merit increase and a 3% COLA.
- Employees in all groups who are topped out will receive a 2% one-time payment.

Mr. Mesquita then reviewed the FY27 benefit cost projections. He noted that health-care premiums continue to be driven by medical services, prescription drug costs, and high-dollar claims; as a result, most plans will see an increase in FY27. This year marks the third year of the transition to the four-tier premium structure, which better aligns employee costs with the level of coverage selected.

Open enrollment is tentatively scheduled for mid to late April and will be conducted as an active enrollment, ensuring employees evaluate any changes to premiums and make selections based on their needs. Human Resources will continue to provide education and

support throughout the enrollment period. In addition, Blue Cross Blue Shield and the City's Benefit Consultant will provide presentations on the medical plan options prior to the start of FY2027.

Mr. Mesquita reviewed the proposed medical premium adjustments for FY2027 across all plans and tiers and per pay period. The goal is to have long-term plan stability and balance employee affordability with fiscal responsibility. The proposed rates were shared with the Employee Benefits Trust Board, and they approved recommending them to Council.

Dental premiums will see modest increase of around 5 percent, reflecting more stable cost trends. The goal is to maintain costs and strong coverage while ensuring the plans stability. Vision rates remain flat and the buyout plan option is not being subsidized in the City for FY2027, and a small increase may be noticed. The plan remains competitive and provides valuable coverage options. An overview of the FY2026 buyout subsidy was provided.

Mr. Mesquita outlined several FY2027 priorities focused on enhancing employee support and engagement.

- Employee Leave Donation Program: The City will implement a leave donation policy allowing eligible employees to donate vacation time to colleagues who have exhausted leave due to an FMLA-qualifying serious health condition.
- Military Leave Adjustments: Based on feedback from public safety employees, the City will increase military leave from 240 hours over two consecutive years to 300 hours, aligned with employee schedules and consistent with practices among comparator agencies.
- Craig Tiger Act Expansion: The Craig Tiger Act provides public safety employees exposed to certain traumatic events with up to 36 licensed counseling visits paid by the employer. Current policy covers sworn, detention, and dispatch staff. Staff recommend expanding eligibility to include Community Services Officers, Animal Control Officers, Park Rangers, and Identification Technicians, and will incorporate this change into policy.
- Post-employment health plan contributions within public safety. As part of the Fire employee MOU this is a mandatory 1.5 percent contribution per pay period. There was an ask for it to be extended to ensure employees who promoted out of the MOU covered positions may continue contributing until reaching retirement age.

An overview of several initiatives aimed at expanding employee support and enhancing access to available programs. These may include health screenings, mental health support, and education. The goal is to ensure employees have the information needed to make cost-effective health care decisions.

Council members offered feedback and raised several questions regarding the proposed benefit changes and employee education efforts such as the difference between telemedicine and in-person practitioner visits.

In response to questions related to the premiums, Mr. Mesquita and Mr. Corbin explained the city evaluates the self-funded plan to ensure sufficient funding to respond to claims and

trends, and to appropriately distribute health-care costs across tiers. The intent is to ensure each tier pays proportionally to its usage. He added that the long-term goal is to encourage employees to move to the high-deductible plan, which is the most affordable option and would result in approximately \$180 in savings.

Rates provided are based on actuarial calculations and the cost to insure each tier.

Councilmember Garcia requested examples of high-dollar claims, which Mr. Mesquita provided. She also asked about efforts to educate employees on healthier living. Mr. Mesquita described the development of a wellness culture, noting that staff have been working over the past several months to ensure wellness initiatives are meaningful and accessible to employees.

Councilmember Nielson asked how enrollment will be conducted in future years.

Staff noted that the transition to the new payroll software will not be completed until FY2028. Once implemented, the City will provide comprehensive communication and support to ensure employees can access and navigate the new system.

Councilmember Solorio inquired about the new payroll vendor and the reasons for moving away from ADP. Mr. Mesquita advised that the City is currently evaluating several organizations and has not yet finalized a contract. He explained that the City experienced payroll challenges under ADP, including issues that resulted in claims being paid, and that the system did not adequately meet the City's needs on both the payroll and HR sides. The selected system will be efficient, effective, and aligned with the City's operational processes.

James Milanese, City Projects Administrator, presented the Capital Improvement Plan (CIP) for FY2027. The presentation included an overview of:

- Projects completed or planned for completion in FY2026
- FY2026 CIP Spend to Date
- Programmed projects scheduled for completion in FY2027
- Projects currently budgeted and in design with completion anticipated in FY2028 or later
- Parks bond projects, both new and ongoing
- Transportation projects
- The asset and vehicle replacement plan
- The fire equipment replacement plan

Mr. Milanese highlighted the importance of aligning project timelines to ensure efficient coordination. He noted that the Agua Fria Trail and Lower Buckeye Road Crossing has been rescheduled to FY2030 to coincide with the planned expansion of Lower Buckeye Road. Similarly, Las Ligas Park improvements have been deferred to align with the same roadway expansion project.

Mr. Milanese explained that the budget team assigns placeholder project numbers for future-year planning. For example, the fire equipment list includes project S0302 for FY2029–FY2031; however, as these projects move into an active fiscal year, they will be assigned formal project numbers. He also noted that project S0013 Growth Engine (176) represents the Southern Avondale Public Safety Fire Station, which includes the associated apparatus truck.

Councilmember White sought clarification if the presentation for fire equipment replacement reflected the purchase of a new engine every other year or if the new engine is specifically tied to the new fire station. Mr. Milanese confirmed the new fire truck is tied to Fire Station 176 under project number S0013.

Councilmember White asked if the replacement cycle is driven by need to maintain all apparatus in a state of good repair. Mr. Corbin confirmed the apparatuses must be in good repair, which had not always been the case. The previous City Manager made an investment to address deficiencies in apparatuses, which is continued today. Additionally, two positions have been created to support his effort, one is dedicated to managing the Fire Department assets and the other is focused on maintaining heavy equipment. He clarified they do not automatically replace apparatus, only upon a recommendation from staff who conducted an evaluation of the apparatus.

Mr. Corbin spoke on the importance of the Public Safety Bond, which includes \$10 million for construction of Fire Station 176 substation. The five-year draft forecast only has \$900,000 remaining.

Ms. Weatherless noted the Holly Acres project mentioned by Mr. Milanese will also require funding.

c. UTILITY RATES AND DEBT ISSUANCE

Renee Weatherless, Finance and Budget Director, began with an introductory statement overviewing the topic and purpose of the presentation, noting no decisions will be made this evening on rates.

Public Works Director Kirk Beaty presented an overview of the City's water system and associated cost drivers. He noted that Avondale's water supply is sourced from the Salt River Project and the Central Arizona Project (CAP). As Salt River Project costs increase, those increases are passed on to cities. Operational costs including electricity, chemicals, personnel and benefits, drought-related impacts, and emerging regulatory requirements such as PFAS continue to rise with inflation and contribute to overall system expenses.

Mr. Beaty reviewed several active projects, including:

- Replacement of Well #25 and installation of three new wells, each with an
- estimated cost of \$4–\$4.5 million.
- Crystal Gardens Lake dredging and basin recharge silt removal to address.
- Water-quality concerns.

- Old Town waterline replacement, coordinated with Capital Projects, and Engineering to coincide with planned street improvements.

Mr. Beaty discussed upcoming projects, including:

- Holly Acres Waterline Replacement, located near Southern Avenue and El Mirage Road, where aging infrastructure requires significant upgrades.
- Bartlett Dam Project, a multi-agency partnership involving 22 entities. Avondale receives 4,500 acre-feet of water allocation from this project. The estimated project cost has increased to \$4 billion, equating to approximately \$9,900 per acre-foot. Despite the cost, Mr. Beaty noted that this remains more affordable than alternatives such as leasing or purchasing additional water rights, which range from \$20,000 to \$100,000 per acre-foot. Investing now is expected to benefit the City long-term.

Mr. Beaty identified PFAS contamination removal as a major cost driver. PFAS chemicals are strongly associated with increased cancer risk, and regulatory limits remain at 4 parts per trillion for PFOS and PFOA. Four additional PFAS-related compounds are regulated at lower thresholds.

The EPA has recommended extending the compliance deadline to April 2031, but this has not yet been codified; therefore, the current compliance date remains April 2029.

Of the City's 16 wells, 11 contain PFAS, and preliminary cost estimates for treatment total \$167 million, with further refinement expected as the project advances. Once operational, annual operating costs are projected at \$4 million.

Mr. Beaty summarized the PFAS feasibility study, noting that among the five options evaluated, treatment remains the most cost-effective and feasible solution. Current project status includes:

- Completion of feasibility studies
- Ongoing sampling
- Participation in class-action litigation, resulting in \$5 million awarded to the City
- Acquisition of land for additional treatment vessels, previously approved by Council
- Initiation of the process to retain a Program Manager Consultant

The project timeline anticipates design beginning in July 2026 and construction starting in January 2029. Mr. Beaty emphasized that funding remains a significant concern, and meeting the regulatory deadline is critical. He also noted the potential consequences of failing to meet compliance requirements.

Finance and Budget Director Renee Weatherless presented an overview of the projected water rates for FY2027. She explained that water rate planning incorporates inflationary pressures, infrastructure needs, equipment and system updates, long-term fiscal sustainability, and continued investment in the City's water portfolio. Compliance with federal regulations under the Safe Drinking Water Act also remains a significant factor in determining future rate adjustments.

Ms. Weatherless reviewed the City's financial policy on issuing debt, noting that the City must maintain an operating debt coverage ratio of at least 1.5 over a five-year period. This ratio is calculated by subtracting operating expenses from water revenues; the remaining balance must be at least 1.5 times the maximum annual debt service for outstanding bonds. She emphasized that this requirement ensures the City can responsibly issue and repay debt associated with major water system projects.

Three major projects currently require financing: the Holly Acres Waterline Replacement estimated at \$6 million; the PFAS treatment design and construction, preliminarily estimated at \$167 million with a regulatory compliance deadline of FY2031; and the City's Bartlett Dam commitment, budgeted at \$15 million based on the amount established when the City first joined the partnership. Ms. Weatherless then outlined the first proposed funding scenario, which meets the FY2031 PFAS compliance deadline. Under this scenario, Holly Acres would be brought forward for Council approval in FY2027, PFAS design funding of \$13.5 million would be requested in FY2027 with additional issuances spread across FY2028 through FY2030, and the Bartlett Dam contribution would remain budgeted at \$15 million despite rising cost projections.

She reviewed the previously approved 6.1 percent water rate increase for FY2027, noting that the average residential customer will see an estimated monthly increase of \$42.66. Under the proposed schedule, rates would increase by 12.5 percent in FY2028, 10.5 percent in FY2029, and 8 percent in FY2030. The water treatment fee, currently 7.5 percent of the total bill, would increase to 30 percent in FY2028 and remain at that level to support PFAS-related debt. The water resource fee, currently 6.2 percent, is sufficient to support the \$15 million Bartlett Dam commitment; however, if Council elects to increase the commitment to \$44 million, an adjustment may be required. Under this scenario, the average residential bill is projected to rise to \$57.53 in FY2028 and \$77.23 in subsequent years. Ms. Weatherless emphasized the importance of maintaining the 1.5 debt coverage ratio as required by City policy.

Ms. Weatherless then presented a second scenario that delays PFAS compliance to FY2034, resulting in lower annual rate increases. Under this option, water rates would increase by 10 percent in FY2028, 8 percent in FY2029 and FY2030, and 7 percent in FY2031 and FY2032. The water treatment fee would increase to 18 percent and remain at that level, while the water resource fee would continue to support the Bartlett Dam project at \$15 million. The average residential customer would see an increase to \$51.27 in FY2028, rising to approximately \$68.50 by FY2035. However, the debt coverage ratio would fall below the required 1.5 minimum in FY2034 and FY2035. To maintain compliance, additional increases of 4 percent in FY2033 and 3 percent in FY2034 would be necessary. Ms. Weatherless noted that while the debt coverage ratio is a City policy, Council has the authority to modify it if desired.

She concluded by stating that Council direction is needed regarding whether PFAS design and construction should be completed by the FY2031 compliance deadline or delayed to a later date. She noted that water costs continue to rise and water availability may become more limited in the future. Previous Council discussions indicated a preference for smaller,

incremental rate increases, which could be incorporated beginning in FY2027. The first bond issuance related to these projects will be presented to Council on May 4, 2026, and Council's direction on the three major projects will guide preparation of the bond package, future budgets, and rate recommendations.

A discussion followed among the Mayor and Councilmembers with all Councilmembers expressing support for extending the PFAS compliance date to FY2034, noting that this option maintains the required 1.5 debt coverage ratio while easing the rate burden on customers. Council also discussed the long-term value of planning for future water shortages and continuing participation in the Bartlett Dam Project, which provides a strategic water supply benefit to the City.

Councilmember Garcia requested a future presentation focused specifically on the broader water supply issue. Vice-Mayor Nielson sought clarification on the projected residential cost impacts, offered thoughts on restructuring the proposed rate increases, and asked for additional information regarding the handling of the PFAS byproduct generated during treatment.

In response, Mr. Corbin clarified that the bonds under consideration are revenue bonds, which require approval by the Council rather than the voters. He noted that under the second scenario, the average residential utility bill in FY2035 is projected to be \$77.23 per month. Mr. Beaty added that Council is being asked only to authorize the issuance of debt at this stage. He also explained that the disposal method for PFAS byproduct has not yet been determined; if the material is ultimately classified as hazardous, disposal costs could increase. Mr. Beaty further noted that construction estimates are based on current pricing, which is likely to rise in future years and may require corresponding adjustments to water rates.

Public Works Director Kirk Beaty presented an overview of the City's sewer system, noting that the primary cost drivers closely mirror those of the water system. He then reviewed the major capital projects underway or planned within the sewer program. These include Sewer Line Replacement Phase II along Dysart Road from Crowell Road to Lower Buckeye Road, as well as the relining of both large- and small-diameter sewer pipelines to extend their useful life. Mr. Beaty highlighted the Wastewater Treatment Plant Phase II Expansion as the most significant project in the sewer capital program.

Mr. Beaty explained that the Phase II expansion will increase the treatment plant's capacity from 9 million gallons per day to 12 million gallons per day. A future Phase III expansion, anticipated approximately ten years from now, will further increase capacity to 15 million gallons per day. The timing of design and construction is dictated by regulatory requirements, which mandate expansion once inflow reaches 80 percent of permitted capacity. The plant is currently operating just above that threshold, and design work for the expansion is already underway.

He noted that the City has committed up to 11 million gallons per day of capacity to development already in progress. This commitment is permitted based on projected

development timelines and the schedule for constructing the expanded facility. Mr. Beaty emphasized this expansion is essential to supporting Avondale's continued growth. The total project cost is estimated at \$155.8 million. He also highlighted the importance of the effluent produced by the treatment plant, which contributes approximately 3,360 acre-feet annually to the City's water portfolio as off-project water.

Mr. Beaty concluded with a summary of the high-level conceptual and feasibility studies conducted to evaluate whether partnering with the Tolleson Wastewater Treatment Plant would be a cost-effective alternative. After reviewing factors such as wastewater interception and conveyance, effluent return, effluent quality, treatment fees, operational control, capacity, and timing, staff determined that utilizing Tolleson's facility would not be cost-effective for the City. Mr. Beaty provided detailed explanations of the various cost and operational challenges that led to this conclusion.

Finance and Budget Director Renee Weatherless presented an overview of the projected sewer rates for FY2027. She noted that, like the water rates, Council previously approved the FY2027 sewer rate increase, and the average residential customer is expected to pay \$47.21 per month beginning January 2027.

Ms. Weatherless reviewed the financing plan for the Water Reclamation Facility Expansion Phase II, a project totaling \$155.8 million. Of this amount, \$11.2 million has already been funded through General Obligation bonds. The remaining \$144.6 million will be repaid through a combination of Development Impact Fees (60 percent or \$84.25 million) and rate revenue (40 percent or \$57.50 million). To support this structure, staff are proposing a 10 percent rate increase in FY2028, followed by 2 percent increases in subsequent years, while maintaining the required 1.5 debt coverage ratio.

She noted that Council's direction has been heard, and the first bond issuance related to this project will return to Council for approval on May 4, 2026.

A discussion followed among the Mayor and Councilmembers, who expressed reluctance to increase rates but acknowledged that the City's growth and infrastructure needs have made these adjustments necessary. Mr. Corbin encouraged Council to advocate with federally elected officials for funding support and intervention, noting that staff have also pursued legal avenues where appropriate.

5. SUMMARY OF CURRENT EVENTS FROM MAYOR, VICE MAYOR, AND COUNCILMEMBERS

Councilmember Solorio reported that she had a successful trip to Washington, D.C., where she advocated on issues including water and returned with valuable information, particularly regarding grant opportunities.

Councilmember White also noted her advocacy efforts in Washington, D.C. She met with representatives from Amtrak and Union Pacific Rail and will be meeting with them locally to continue those discussions. She additionally attended the Southwest Family Advocacy Gala.

Vice Mayor Nielson shared that he attended several water-related presentations in Washington, D.C., noting that the challenges discussed are not unique to Avondale. He stated that federal officials are actively seeking opportunities and legislation to provide additional funding. He also attended civility presentations and expressed appreciation for the positive working relationships among the Councilmembers.

Councilmember Garcia reported attending the State of the City event, describing it as community-oriented and well executed.

Councilmember Weise thanked the Fire Department staff who volunteered to distribute smoke detectors and Narcan in the neighborhood surrounding Mountain View. She also attended Steamfest and acknowledged the significant staff involvement in the event, as well as the difficult decision to discontinue it. In addition, she attended the Southwest Linen Closet fundraiser.

Mayor Pineda stated that over the past month he has had the opportunity to meet locally with federally elected officials and other mayors to discuss key issues. He commented that Luke Days was extremely hot but an impressive display of freedom. He also attended the Southwest Linen Closet Gala.

6. ADJOURNMENT

There being no further business before the Council, Councilmember Garcia moved to adjourn the Regular Meeting; Councilmember Conde seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Councilmember Conde	Aye
Councilmember Garcia	Aye
Councilmember Solorio	Aye
Councilmember Weise	Aye
Councilmember White	Aye
Vice Mayor Nielson	Aye
Mayor Pineda	Aye

The meeting was adjourned at 9:38 p.m.

Mike Pineda

Mike Pineda (May 6, 2026 13:34:06 PDT)

Mike Pineda, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Council of the City of Avondale held on the 23rd day of March 2026. I further certify that the meeting was duly called and held, and that the quorum was present.



Marcella Sarmiento, City Clerk

May 4, 2026

Date Approved by City Council