



City of Avondale

City Council Meeting

 [**Link to Summary of Council Actions**](#)

 [**Link to Meeting Minutes**](#)



City of Avondale

City Council Meeting

Monday, September 23, 2019

Summary of Council Actions

Mayor and Council

Kenn Weise, Mayor

Pat Dennis, Vice Mayor

Tina Conde, Council Member | Bryan Kilgore, Council Member

Veronica Malone, Council Member | Curtis Nielson, Council Member

Mike Pineda, Council Member

Administration

Charles A. Montoya, City Manager

Gina Montes, Assistant City Manager

Michael Wawro, City Attorney

Marcella Carrillo, City Clerk

City Council Chambers

11465 West Civic Center Drive

Avondale, AZ 85323



Summary of Council Actions

City Council Meeting Agenda

Monday, September 23, 2019

CITY COUNCIL CHAMBERS | 11465 WEST CIVIC CENTER DRIVE | AVONDALE, AZ 85323

WORK SESSION

6:00 PM

CALL TO ORDER BY MAYOR

1. **ROLL CALL BY THE CITY CLERK**

2. **WEST VALLEY VETERAN'S SUCCESS PROJECT UPDATE**

City Council **received** an update on the Veteran's Success Project, presented by Greg Pereira, Vice President of Student Affairs, and Jacob Hall, Program Director, Military and Veteran Programs, Maricopa Community Colleges. This item is for information only.

3. **OVERVIEW OF WATER AND SEWER RATES**

City Council **received** a presentation on the fiscal year 2020 water and sewer rate study, including an overview of the funds and next steps in the rate update process. This item is for information only.

4. **ADJOURNMENT**

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
CITY COUNCIL CHAMBER
September 23, 2019

A **Work Session** of the City Council of the City of Avondale, Arizona was convened at 11465 Civic Center Drive in open and public session at 6:02 p.m.

Members Present: Mayor Kenn Weise; Vice Mayor Pat Dennis; Councilmembers Tina Conde, Bryan Kilgore, Veronica Malone, Curtis Nielson, and Mike Pineda.

Members Absent: None.

Other Municipal Officials Present: Gina Montes, Assistant City Manager; Tracy Stevens, Deputy City Manager; Michael Wawro, City Attorney; Marcella Carrillo, City Clerk; Cindy Blackmore, Public Works Director; Jessica Blazina, Intergovernmental Affairs Administrator; Jeff Case, Fire Chief; Dan Davis, Economic Development Services Director; Lindsey Duncan, Finance and Budget Director; Chris Lopez, Neighborhood and Family Services Director; Dale Nannenga, Police Chief; Cherlene Penilla, Human Resources Director; and Jeffrey Scheetz, Chief Information Officer.

Audience: Three members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. WEST VALLEY VETERAN'S SUCCESS PROJECT UPDATE

Dr. Greg Pereira, Vice President of Student Affairs, and Jacob Hall, Program Director, Military and Veteran Programs, Maricopa Community Colleges, presented an update on the Veteran's Success Project. This item is for information only.

Presentation by Mr. Hall included:

- Facts about the Maricopa community College District.
- The Military and Veteran Success Center – West (MVSC) assists veterans in the areas of transition, education, employment and human services.
- The West Valley Center for Military and Veteran Success is located just outside of Luke Air Force Base.
- A brief video on the project was played.
- Through the support of the City of Avondale and Rio Salado College, the MVSC West has served over 3,200 veterans, military members, and their families since 2017.
- Provided services include employment, financial, VA benefits, housing, and educational assistance
- The Center has partnered with several agencies and organizations throughout the community, including the Arizona Department of Veterans Services.
- The services of the full-time veterans' benefits counselor are in such demand that there is a waiting list to see him.
- They are currently exploring options to bring in another veterans' benefits counselor.

Presentation by Dr. Pereira included:

- The needs of Veterans in the West Valley were different than anticipated.
- Approximately 15% of individuals coming to the center sought educational access or services.
- Less than 1% were current or became Maricopa students.
- The vast majority have been seeking specific resources typically linked to benefits, employment or housing.

Mr. Hall reviewed a testimonial of a veteran who was assisted as he was fighting cancer and facing significant financial challenges.

Presentation by Dr. Pereira continued:

- The example mentioned highlights the challenges faced by individuals as they navigate the system without support.
- The case management model has proved to be critical in connecting veterans with available services.
- Over the next one to two years, they will be working to identify additional partners to provide more resources, including mental health services.
- The success would not be possible without the support of the community and the City of Avondale.

Mayor Weise expressed his appreciation for the update and inquired on the funding and age comparisons of the two locations, specifically related to housing and legal services. Mr. Hall stated that those seeking legal help have generally encountered some sort of resistance in the community, such as working with mortgage providers. There is a higher need for housing in the East Valley than the West Valley Center as the East Valley age range is from 25 to 60s, with a higher homeless veteran population. The East Valley Center does more veterans' courts services. The age ranges for the West Valley Center ranges from 22 to 90s.

Vice Mayor Dennis inquired on the percentage of individuals seeking transportation services. Mr. Hall clarified that this category was close to zero percent. Vice Mayor Dennis cited the transition challenges and inquired on statistics on veterans seeking services after being out of the military for numerous years. Mr. Hall stated that he does not have this information readily available, but he can access it and follow up. He explained there are more individuals seeking assistance after several years of leaving service compared to newly separated individuals. Those who transitioned several years ago may be returning for assistance with disability issues and medical needs.

Vice Mayor Dennis asked about collaboration with trade organizations. Mr. Hill stated that there is workforce development through Maricopa Community Colleges, including Estrella Mountain Community College and Gateway Community College. They also work with Pipeline AZ through a grant with the Maricopa Industrial Development Authority. The program connects veterans and their spouses to gainful employment opportunities. The Center also holds hiring expos, which includes pre-matching services ahead of the event. In addition, the program has a large presence in the Valley through educational services partnerships, including employer training.

Council Member Pineda commented on the great return on investment received and explained how everyone in the community benefits from the support given to the veterans.

Council Member Conde noted the similarities in services offered at the Success Center compared to the services at the Resource Center, including meeting the needs of the community. The case management component is critical in terms of helping people know where to start and move forward. She thanked everyone for their service and for meeting the needs of veterans.

Council Member Malone thanked the presenters for their service to the veteran community. She inquired on marketing efforts. Mr. Hill stated that advertisements are done through billboards on the I-10 and around Luke Air Force Base, radio advertisements, email blasts, recruiting events, as well as Facebook, Instagram and Twitter accounts.

Council Member Kilgore thanked the presenters for their service, for their presentation, and for providing the opportunities for veterans. Council Member Kilgore stated his daughter recently finished four years in the Air Force – security forces. When she came out, she had support from airmen who went through what the presenters went through. The airmen had no idea what they were going to do, went home to live with their parents and were used to making their own money. In closing, he stated the services being provided is a blessing on the West Valley and their efforts are truly momentous.

3. OVERVIEW OF WATER AND SEWER RATES

Lindsey Duncan, Director of Finance and Budget, presented on the fiscal year 2020 water and sewer rate study, including an overview of the funds and next steps in the rate update process. This item is for information only.

Presentation by Ms. Duncan included:

- The presentation will not include rates but rather focus on approach and philosophy.
- The water and sewer funds operate similarly to businesses, including costs of human resources, finance, payroll, water/sewer systems, and facility maintenance.
- Rates are set and charged to users through a monthly bill to cover costs.
 - o Operations are 100% funded from utility rates.
 - o Capital is funded from a combination of sources such as utility rates, a portion of the 0.05% dedicated sales tax, and development impact fees.
- Customer classes are charged different rates.
 - o For water, rates are based on water meter size and are broken down through residential, multifamily and nonresidential uses.
 - o For sewer, there are a variety of customer classes such as residential, restaurants, offices, retail and it depends on how much water is consumed and put back into the system.
- Establishment of the rate study included various goals, including:
 - o Rates are fair and equitable.
 - o Generate sufficient revenues.
 - o System is maintained, and infrastructure is upgraded as necessary.

- o Maintain sufficient reserve balances.
 - o Equity across customer classes.
 - o Intergenerational equity to ensure users are paying for components of the system at the correct time.
 - o Rate increases are smoothed over forecast period.
- Internal stakeholders include Public Works, Finance and Budget, and Mayor and City Council.
- External stakeholders include residents, businesses, homeowner associations, bondholders, and rating agencies.
- Staff will be presenting at the Avondale Citizens Water Alliance meeting and other stakeholder meetings to perform outreach and gather input.
- The rate study process consists of three determinations:
 - o Determine the amount of money that is required to come into the system over what period of time.
 - o Determine the share of the cost by customer class.
 - o Determine what the rates are to meet goals.
- The process for determination the amount of money that is required to come into the system, over what period of time includes the following steps:
 - o Review current status of Water and Sewer Funds.
 - o Identify anticipated needs for the next ten years.
 - o Examine reserve policies to ensure fiscal sustainability and equity.
 - o Establish revenue requirements.
- Water Operations Fund:
 - o Second largest operating fund in the City.
 - o Represents 5% of total budget, 6% of total positions, and 21% of capital outlay budget.
 - o There are 22-thousand active residential accounts, 846 nonresidential and multifamily accounts and 573 landscape accounts.
- Water Operations Fund Revenue Sources:
 - o 95% from rates
 - o 3% from interest
 - o 1% from miscellaneous
 - o 1% from the use of fund balance.
- There have been consistent increases over time associated with water rate revenues.
- Water Fund Expenses:
 - o 64% for operations
 - o 7% for indirect costs
 - o 22% for transfers out (related to capital)
 - o 7% for contingency
- The water operational expenses are largely personnel and services related, which includes a total of 33.3 full-time equivalent positions from a total budget of \$10.2 million.
- Water Fund Transfers Out:
 - o \$3 million transferred out to support the capital.
 - o \$500 thousand transferred out to support technology and vehicle replacement.
 - o Replacement and maintenance of the water system is handled through the Capital Improvement Plan rather than through a transfer.

- Significant Capital Improvements:
 - o North Avondale Water Supply
 - o Historic Avondale Projects
 - o Four Well Additions and/or Improvements
 - o Garden Lakes Second Reservoir and Booster Improvements
 - o Nitrate Removal System for Coldwater Booster Station
- Water Rate Study Key Issues:
 - o Water supply and portfolio
 - o Age of infrastructure
 - o Preparing for growth
 - o Conservation
 - o Aligning rates with goals
- Sewer Operations Fund:
 - o Fourth largest operating fund in the City.
 - o Represents 4% of total budget, 4% of total positions and 13% of capital outlay.
 - o There are 21 thousand active residential accounts and 646 nonresidential and multifamily accounts.
- Sewer Operations Fund Revenue Sources:
 - o 93% from rate related
 - o 2% from interest
 - o 5% from the use of fund balance
- Revenue has been consistent over time.
- Sewer Fund Expenses:
 - o 62% operations
 - o 11% indirect costs
 - o 18% transfers out
 - o 9% contingency
- Sewer Operational Expenses includes a total budget of \$5.6 million:
 - o 37% personnel
 - o 40% services
 - o 23% supplies
- Sewer Fund Transfers Out
 - o \$1.5 million transferred out to support capital.
 - o \$354,000 for technology and equipment replacement
- Significant Capital Improvements:
 - o Water Reclamation Facility Expansion
 - o Grit System and Odor Control System Improvements
 - o Historic Avondale
 - o Lift Station Improvements
- Fund Balance Policy:
 - o Reserves are non-spendable funds that are set aside for potential cash flow issues or emergencies.
 - o Protects the City against financial instability and risks.
 - o The City does an assessment of the stability of the financial system and the amount of risk before a recommendation on a reserve policy.
 - o Factors include volatility in revenue source; age and condition of the system; consistency of operating expenditures; balancing by multiple sources such as

- rate revenue, dedicated sales tax, and development impact fees; and outstanding bonds.
 - o Current fund balance policy includes nine months of operating costs held in reserve and 5% of assets - net of depreciation.
- Changes to the Fund Balance Policy:
 - o Process included a comparison to other Valley cities which confirmed a change is appropriate.
 - o A comparison of other cities fund balance policy was presented.
 - o Staff recommends six months of operating reserves to cover 50% of operations and no capital reserve due to sufficient on-going investments through the capital improvement program which is maintaining the system.
- Based on feedback from City Council, staff will develop the revenue requirements and seek community input.
- Next Steps:
 - o On September 25, 2019, staff will provide a similar presentation to the Avondale Citizen Water Alliance.
 - o In October 2019, staff will present rate information at the City Council Work Session to gather additional feedback.
 - o In November 2019, staff will meet with public stakeholders and a notice of intent to change the rates will be published in the newspaper, on the website, and in utility bills.
 - o In January and February 2020, a City Council meeting will be held for a public hearing as well as a meeting to adopt the new rates.

In response to a question from Vice Mayor Dennis, Ms. Duncan clarified the current policy is to hold 5% of the assets in reserve which is not actually spent on capital. Vice Mayor Dennis stated that reserves are typically held for repair and replacement costs and other items that come due over time. She believed that holding reserves just for the sake of holding them is not a practical approach. She would like further information on how the reserves would be held and expended for repair and replacement. In response to a question from Mayor Weise, Vice Mayor Dennis stated that she did not disagree with reducing the operating reserves to six months. Ms. Duncan clarified there is a plan for ten years' worth of asset replacement and maintenance in capital expenditures.

Mayor Weise agreed that too much money is being held in the reserve fund. He is comfortable with the reduction to six months and would like to look at the capital plan moving forward. He provided background information on the reserve during the recession, explaining how previous Council was concerned in looking at the capital outlay for sewers and water over the next 20 to 30 years so the reserve was put into place to provide a safeguard. He agreed to the smooth, linear raise on rates. He explained that previous City Councils in the past chose not to raise rates due to the economy which is shortsighted. Rates should be raised annually based on cost of living and inflation. However, those with the lowest water usages per month should be the most protected.

Council Member Conde requested staff be mindful for those on fixed incomes and those with large families.

Council Member Nielson addressed HOAs, noting that the expense for homeowners is not only for the cost of water but for HOA assessments on equipment. HOAs may have valuable input in terms of how much water could be saved.

Mayor Weise stated that it is incumbent to discuss this issue with the HOAs, but it is also important for the HOAs to perform water audits and be more proactive.

Vice Mayor Dennis addressed HOAs adjusting their landscape from turf to landscape and requested staff work with the HOAs to outline the requirements for sustainable landscaping.

In response to a question from Council Member Nielson, Ms. Duncan confirmed that HOAs are nonresidential and are not charged for sewer.

Council Member Pineda asked about the timeline for replacement of systems and equipment. Ms. Duncan stated that several factors are considered, including an evaluation of the system and the technology used in determining the lifetime of the assets. Some treatments can preserve the life of the asset. It is important on the capital improvement side that the City invests in its projects to maintain the system. Council Member Pineda stated that he is also comfortable with the six-month reserve.

Council Member Malone inquired on the rate increases presented last year. Ms. Duncan stated that when the discussion took place in January of 2018, there was a 6% rate increase. There were consecutive years at 6% and then tapered down to 4%, 2% and 2%. The direction to the rate consultant is to smooth this out so that it does not increase and decrease. A final number cannot be provided this evening as final decision on the reserve has not been made. The duration of the rate study is five years. Council Member Malone requested staff be mindful of residents and agreed that there should be a steady approach to increases without significant rate hikes.

Council Member Pineda stressed the need to communicate to citizens that this department is run like a business and rate increases are needed for the upkeep of infrastructure. Ms. Duncan stated that she would return in October to share the plan for outreach messaging with City Council prior to stakeholder meetings.

Council Member Malone inquired if a reduction from nine months to six months would impact the timeframe on the historic projects. Ms. Duncan explained components of the schedule is determined by available staff resources, both in terms of contracts and construction. Generally, the schedule on the projects is not necessarily based on funding, but feasibility of timing.

4 ADJOURNMENT

There being no further business before the Council, Council Member Malone moved to adjourn the Work Session meeting; Council Member Nielson seconded the motion.

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

Council Member Conde	Aye
Council Member Kilgore	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Pineda	Aye
Vice Mayor Dennis	Aye
Mayor Weise	Aye

Meeting adjourned at 7:08 p.m.

A **Regular Meeting** of the City Council of the City of Avondale, Arizona was convened at 11465 Civic Center Drive in open and public session at 7:15 p.m.

The Avondale Police Explorers presented the colors and led the Pledge of Allegiance.

Members Present: Mayor Kenn Weise; Vice Mayor Pat Dennis; Councilmembers Tina Conde, Bryan Kilgore, Veronica Malone, Curtis Nielson, and Mike Pineda.

Members Absent: None.

Other Municipal Officials Present: Charles Montoya, City Manager; Gina Montes, Assistant City Manager; Tracy Stevens, Deputy City Manager; Michael Wawro, City Attorney; Marcella Carrillo, City Clerk; Cindy Blackmore, Public Works Director; Jessica Blazina, Intergovernmental Affairs Administrator; Jeff Case, Fire Chief; Dan Davis, Economic Development Services Director; Lindsey Duncan, Finance and Budget Director; Chris Lopez, Neighborhood and Family Services Director; Dale Nannenga, Police Chief; Cherlene Penilla, Human Resources Director; and Jeffrey Scheetz, Chief Information Officer.

Audience: Approximately 15 members of the public were present.

1. ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2. UNSCHEDULED PUBLIC APPEARANCES

None.

3. RECOGNITION ITEMS

a. NEW EMPLOYEE INTRODUCTIONS

The following employees were introduced and welcomed to the City of Avondale:

- Fire Chief Jeff Case
- Assistant Police Chief Louis Tovar
- Police Officer Chris Jacobson
- Police Officer Dedric Jones

- Police Officer David Helmer
- Police Officer Kimberly Ortega
- Police Officer Chandry Rice
- Police Officer Joseph Turitto III
- Police Officer Joseph Del Pozzo
- Edith Baltierrez, Neighborhood and Family Services Assistant Director
- Marshall Pimentel, Management Analyst for the City Manager's Office

Mayor Weise presented a service award to Dan Davis, Economic Development Services Director on recognition of his retirement.

Mr. Davis shared a few words regarding his time with the City of Avondale.

4. 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. Council members may pull items from consent if they would like them considered separately.

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

Upon vote, the motion carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Kilgore	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Pineda	Aye
Vice Mayor Dennis	Aye
Mayor Weise	Aye

a. MINUTES

City Council approved the July 22, 2019 and July 29, 2019 City Council Meeting Minutes.

b. GENERAL FUND CONTINGENCY TRANSFER FOR INSTALLATION OF AN BACKUP GENERATOR FOR THE EMERGENCY OPERATIONS CENTER

City Council approved a General Fund Contingency Transfer in the amount of \$131,990 for an award of a Contract Amendment with DNG, Inc. to design and install a backup generator for the Emergency Operations Center, and authorized the Mayor, or City Manager and City Clerk to execute the necessary documents.

c. CONSTRUCTION CONTRACT AWARD WITH VISUS ENGINEERING CONSTRUCTION, INC. FOR DYSART ROAD AND RANCHO SANTA FE IMPROVEMENTS

City Council approved a Construction Contract with Visus Engineering Construction, Inc. to provide construction services for the Dysart Road and Rancho Santa Fe Improvements in the amount of \$685,000 and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

d. ORDINANCE 1705-919 - LEASE AGREEMENT RENEWAL WITH VERIZON WIRELESS, LLC FOR A PERSONAL WIRELESS SERVICE FACILITY

City Council adopted Ordinance 1705-919, renewing a lease agreement with Verizon Wireless, LLC for a Personal Wireless Service Facility at the Rancho Santa Fe Water Facility, authorize monthly lease payments to the City and authorized the Mayor or City Manager and City Clerk to execute the necessary documents.

5. ADJOURNMENT

There being no further business before the Council, Vice Mayor Dennis moved to adjourn the Regular Meeting; Council Member Pineda seconded the motion.

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

Council Member Conde	Aye
Council Member Kilgore	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Pineda	Aye
Vice Mayor Dennis	Aye
Mayor Weise	Aye

Meeting adjourned at 7:35 p.m.

Kenn Weise, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session and Regular Meeting of the Council of the City of Avondale held on the 23rd day of September 2019. I further certify that the meeting was duly called and held and that the quorum was present.

Marcella Carrillo, City Clerk