

CITY COUNCIL
REGULAR MEETING
DECEMBER 19, 2017

The regular meeting of the City Council of the City of Apache Junction, Arizona, was held on December 19, 2017, at the Apache Junction City Council Chambers pursuant to the notice required by law.

CALL TO ORDER

Mayor Serdy called the meeting to order at 7:00 p.m.

INVOCATION

Vice Mayor Wilson gave the Invocation.

PLEDGE OF ALLEGIANCE

Councilmember Waldron led the Pledge of Allegiance.

ROLL CALL

Councilmembers Present: Mayor Serdy
Vice Mayor Wilson
Councilmember Barker
Councilmember Evans
Councilmember Rizzi
Councilmember Struble
Councilmember Waldron

Staff Present: City Manager Bryant Powell
Assistant City Manager Matt Busby
City Clerk Kathleen Connelly
City Attorney Joel Stern
Public Safety Director Tom Kelly
Public Works Director Michael Wever
Parks and Recreation Director Liz
Langenbach

Others Present: Senior Auditor Anne Wenk
Parks Superintendent Nick Blake

ACCEPTANCE OF CONSENT AGENDA)
) Councilmember Barker MOVED
THAT THE CONSENT AGENDA BE ACCEPTED AS PRESENTED; AND

THAT APPROVAL BE GIVEN TO THE LEGAL ADVERTISING AGREEMENT
BETWEEN THE CITY OF APACHE JUNCTION AND THE ARIZONA REPUBLIC FOR
JANUARY 1, 2018 THROUGH DECEMBER 31, 2018 IN THE AMOUNT OF 40
CENTS PER LINE PER DAY IN THE MESA REPUBLIC AND 85 CENTS PER
LINE PER DAY IN THE ARIZONA REPUBLIC; AND THAT AUTHORIZATION BE
GIVEN FOR THE MAYOR TO SIGN THE AGREEMENT.

Vice Mayor Wilson SECONDED
THE MOTION.

VOTE: Unanimous.

The motion carried.

AWARDS, PRESENTATIONS AND PROCLAMATIONS

None.

ANNOUNCEMENT OF CURRENT EVENTS

Councilmember Rizzi announced Community Alliance Against Family Abuse has doubled the number of people served this year with their Holiday House.

Mayor Serdy announced the Veterans Center is having an open house on Thursday from late morning to around 4 p.m.

Mayor Serdy announced the city employee breakfast was last week and he thanked them for the incredible job done this year that included the opening of Flatiron Park, the flooding earlier in the year, illegal dumping, the new Fry's opening and the budget seeming to go through smoother this year.

Councilmember Struble announced the city council will have their own trivia contest team next year.

CITY MANAGER'S REPORT

City Manager Bryant Powell commented on the finance department winning the trivia contest, the city partnership with Arizona State University, the State of the City event, Central Arizona Association of Governments, Wendy's ribbon-cutting event and the Arizona Department of Transportation round-about.

Assistant City Manager Matt Busby gave an update with the monthly financial report.

PUBLIC HEARINGS

APPLICATION FOR AN INTERIM PERMIT,
NEW LICENSE, LIMITED LIABILITY
COMPANY, SERIES 10 LIQUOR LICENSE
FOR AJ'S MINI MART)

) City Clerk Kathleen
Connelly briefed the council on the item.

Mayor Serdy requested the
applicant address the council.

Mr. Manjinder Singh, Phoenix,
addressed the council to comment he loves this city, used to own
a gas station here in 2007, they like the area and community and
would like to support it.

Mayor Serdy commented they
are glad to have them. He opened the public hearing on the
item. There being no one wishing to speak, he closed the public
hearing and reopened the item to council discussion. There
being no further discussion, he called for a motion.

Councilmember Rizzi MOVED
THAT THE APPLICATION FOR AN INTERIM PERMIT, NEW LICENSE, LIMITED
LIABILTY COMPANY, SERIES 10 LIQUOR LICENSE FOR AJ'S MINI MART,
SUBMITTED BY AMY NATIONS, BE RECOMMENDED FOR APPROVAL TO THE
ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL.

Vice Mayor Wilson SECONDED
THE MOTION.

VOTE: Unanimous.

The motion carried.

OLD BUSINESS

None.

NEW BUSINESS

SOFTWARE AND LICENSING AGREEMENT

WITH BOMT SYSTEMS LLC

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City Clerk Kathleen

Connelly briefed the council on the item.

Mayor Serdy commended City Manager Bryant Powell and Assistant City Manager Matt Busby for combining the work session and regular meetings so that staff does not have to stay late for a short work session. It is good to do it this way. He called for any questions.

Councilmember Evans asked if we are positive our current equipment will handle this change and the conversion without losing things because of what we went through with the Arizona Department of Revenue saying they were ready for this new software.

City Clerk Kathleen Connelly stated that is correct. We would not move it to the new system without preserving what we have. We would have some redundancy. We still have the hard copies of things if we ever have to go in that direction. IT is comfortable with it. She has to rely on them as to their having the equipment and if they have any issues with it. They are comfortable working with the people on the other end. The big difference with this is that over the years the department has worked with companies that are located out of the country, in different time zones, and when they are working on something like this and they are talking to someone who is perhaps in India, it becomes very difficult. One of these folks lives in Apache Junction and one in Mesa. They have said that if there is a problem they will come here at whatever time is necessary to offer support and make changes.

Councilmember Evans commented in phase one it says something about under the application and

REGULAR MEETING OF THE CITY COUNCIL

DECEMBER 19, 2017

PAGE 4 OF 18

the existing businesses and licensing that their billing was based on a forty-hour week for the entire amount. She asked who came up with their being able to accomplish this in a one-week time frame. Page one on their system says anything over forty hours will be billed out at the hourly rate of \$65 per hour.

City Clerk Kathleen Connelly stated together they came up with their being able to do this in forty hours. This did not just happen. This has been discussed with other staff with the City of Mesa since February 2016. In various stages they have been familiar with what we had on our end, not just the tax licenses but the regular business licenses. In looking at our data and working with Anne, this is the amount of time they figured they needed.

Councilmember Evans commented one of the reasons she asked that question was the figure for \$62,500. She is under the understanding that it will be a \$62,500 plus.

City Clerk Kathleen Connelly stated if necessary. Originally this started off with a ballpark figure of \$30,000. The more they looked at what we had, we have a large data base of historical data which is critical, and the more customized we wanted, the figure grew. We have no reason to believe that they will suddenly say they have expended all of their time and they now have to do this other stuff.

Councilmember Evans commented additional billing.

City Clerk Kathleen Connelly stated that is correct.

Councilmember Evans asked if there is money available in the budget if we go over the \$62,500.

City Clerk Kathleen Connelly stated the \$62,500 will take us to June 30, 2018, if it even reaches the total amount by that time. We will have to budget something in the fiscal year 2018-2019 budget.

Councilmember Evans commented that part will be covered. She asked if this parallels some of the information we were trying to get out of the agreement we made with the Department of Revenue when it took over.

City Clerk Kathleen Connelly stated that is using information gotten from the Department of Revenue. It will be taking the data from the licensing system that just went into effect on December 1 and our historical data, something that is already in the system, making it operational, and taking some Department of Revenue information. It will run parallel but they will not merge.

Councilmember Evans commented she was trying to figure out if they would work together or become a duplication. We would then not need to do this.

City Clerk Kathleen Connelly stated it will not be a duplication. This will stand alone. We will not be relying on something from the Phoenix BMI system for anything in here.

Councilmember Barker asked if the city would still be using the Phoenix system.

City Clerk Kathleen Connelly stated that is different information. The Phoenix system looks at taxpayers statewide. This is our licensing component.

Councilmember Barker commented we will still be using the Phoenix system. We will still be paying the fee to Arizona Department of Revenue. We have to find \$32,500 in the general fund to pay up to the \$65,000.

City Clerk Kathleen Connelly stated that is correct. She has been assured by two people in this room that it can be done.

City Manager Bryant Powell stated he wanted to put this into perspective as well that they studied out the alternatives. Some of the alternatives they looked at were in the \$200,000 to \$500,000 range. Whenever he

talked to other cities and towns regarding tax mantra, from his perspective, it is awesome to have someone that is next to us in Mesa who knows our system and can get it going. And the bad news, because of these changes, they will have to pay the \$30,000 and they have to pay now what was well under \$100,000 will have to be budgeted for over \$100,000 now. That is thanks to our state legislature over that effort of changing the law to not be able to have self-collection.

Mayor Serdy commented if one talks to other sister cities they are all upset, also.

City Clerk Kathleen Connelly stated if they are ever allowed to go back to self-collection this will come in handy.

Councilmember Struble commented he cannot say what he wants to say. The city manager stated they will have to budget for 2018-2019. He asked if there is any kind of idea what they will need.

City Clerk Kathleen Connelly stated they will know a bit more when they get to the end of this. What she believes will happen is what happens with any new program. As they go through it they will find they should have included something else or because they will be sending information to development services, they may ask if there is any chance they could also do something else for them. For example, on the new business license application there are references to home-based businesses. Last week they became aware that a member of the legislature is looking to make changes to home-based businesses so that would have to be integrated into this.

Councilmember Evans commented this system is expandable to other departments.

City Clerk Kathleen Connelly stated that is the advantage of dealing with people who are here. Their jurisdictions will be going through the same stuff we are going through.

Councilmember Struble asked why they cannot have them do whatever they need to do so we can tie it into the actual tax collection module for the state so that we do not have to pay fees, any more money, if we are already going to do this. He asked if the state is holding us back from tying into it.

City Clerk Kathleen Connelly stated she is not sure if the state would allow something.

Councilmember Struble commented they are already allowing Phoenix to do it.

City Clerk Kathleen Connelly stated they are doing that through a special intergovernmental agreement. This would be just Apache Junction.

Councilmember Struble commented he understands that. He asked if there would be an annual cost like every year they would have to budget \$10,000 to it.

City Clerk Kathleen Connelly stated if they continue to grow this there will be an ongoing cost.

Councilmember Struble commented he is sure that when we get the accounting software there will be an annual maintenance fee.

City Clerk Kathleen Connelly stated there is a maintenance fee. That accounting software will be a lot more costly than this.

Councilmember Struble asked if there will be an annual maintenance fee aside from just adding on.

City Clerk Kathleen Connelly stated there will be.

Councilmember Struble asked if she has an idea of what that is.

City Clerk Kathleen Connelly stated not at this point. It is not going to be anywhere near \$50,000-\$60,000. They are saving on the foreign country kind of thing.

Assistant City Manager Matt Busby stated Anne has an answer for the annual maintenance stuff.

Senior Auditor Anne Wenk stated it is a \$5,000 per year maintenance cost. They do not plan for it to fluctuate because they are trying to keep the costs down for us seeing that we are a really small city. He has written a program similar to this for the City of Mesa which is why he knows approximately how much time each portion is going to take.

Councilmember Evans asked if the maintenance also includes any upgrades or revisions to the system.

Senior Auditor Anne Wenk stated any updates.

Councilmember Struble asked about occurrence of use.

Senior Auditor Anne Wenk stated that is all included and they have promised that if we need them, they are allowed to take time off at that moment because we are working with Mesa, too.

Councilmember Struble commented he totally understands what they are trying to do with this. It all makes sense. It just irritates him.

City Clerk Kathleen Connelly stated in a perfect world it would be good to have one system but when you deal with the Department of Revenue.

Councilmember Struble commented they are mandated to pay \$78,000 plus.

City Clerk Kathleen Connelly
stated it is going to be \$98,000 this next time.

Councilmember Struble
commented he knows. We are mandated to do that and then we are
basically mandated to pay another \$9,000 to Phoenix to get the
information out of the system that we should be getting for the
\$78,000.

City Clerk Kathleen Connelly
stated that is correct.

Councilmember Struble
commented and they are shortchanging us on the money that they
are supposed to be reimbursing in the first place. He is just
ranting here. Now we have to spend this money as they are
probably not going to allow us to tie into the system for this
information that we need for the whole thing to work. He hopes
there are some legislators out there, specifically the ones that
work in our district, that are actually going to be watching
this session tonight and maybe get hold of the cities in this
state that are having to do this because we have some
legislators that are trying to balance the budget on our backs.
It irritates him that we have to spend money to cover them.

Mayor Serdy commented Senator
Farnsworth is coming in the middle of January and we can all
give him an earful. If there are any business people out there
that want to come to that meeting and talk about it, they will
not be able to speak that night, but if they want to let the
council know, we are going to try to make ourselves heard out
there.

Councilmember Struble
commented they have a warranty. He asked if it starts when they
come in and they say everything is implemented and ready to go
or does it start when they start implementing it.

City Clerk Kathleen Connelly
stated she does not remember that they discussed that.

Councilmember Waldron
commented those normally start at the end. When they hand it
off is when the warranty normally starts.

Assistant City Manager Matt
Busby stated they will verify that but that is what he suspects
is the case.

City Clerk Kathleen Connelly
stated because Bobware is dying a very slow, prolonged death, we
would have needed something to replace it anyway.

Councilmember Struble
commented he totally understands. It is the principle of what
is happening.

City Clerk Kathleen Connelly
stated he would get no argument from her.

Mayor Serdy commented this
would have been on last night's work session. We are now ready
to vote on this. He called for a motion.

Councilmember Waldron MOVED
THAT THE TAX SOFTWARE AND LICENSING AGREEMENT BETWEEN THE CITY
OF APACHE JUNCTION AND BOMT SYSTEMS LLC FOR A FOUR PHASE TAX
INTEGRATION AND LICENSING PROGRAM NECESSARY TO SUPPORT RECENT
CITY CODE LICENSE CHANGES, HISTORICAL LICENSE AND TAX DATA IN
THE AMOUNT OF \$62,500 BE APPROVED.

Councilmember Rizzi SECONDED
THE MOTION.

VOTE: Unanimous.

The motion carried.

APPOINTMENTS TO CONSTRUCTION CODE
BOARD OF APPEALS AND THE
SUPERSTITION MOUNTAINS COMMUNITY
FACILITIES DISTRICT NO. 1 BOARD
OF DIRECTORS)

) City Clerk Kathleen Connelly briefed the council on the item.

Councilmember Waldron commented he was concerned about Mr. Schroeder getting a little overextended as he is already on planning and zoning and is interested in the sewer district. He reached out to Mr. Tremonti who had shown some interest in being on the sewer district board but something happened and he did not receive the notification or did not feel whatever to do the interview. He invited him here. He is here and is interested in the sewer board. If the councilmembers have questions for him, he is prepared to answer them. He thought it would be good for Mr. Tremonti to come up and introduce himself.

City Clerk Kathleen Connelly asked if she could ask the city attorney a question. The agenda is not worded to allow for the interview.

Mayor Serdy commented if the council wants more information.

Councilmember Rizzi commented if they want the opportunity and it is not on the agenda then they could set it for another time.

City Attorney Joel Stern stated usually they do have interviews. Because tonight is the night where they are going to choose, and if they do want people to speak, it should be on the agenda. It does not say that. The city clerk is correct.

Councilmember Barker suggested that she read some of this application.

Mayor Serdy commented that would be great.

Councilmember Barker commented he was asked if he could attend the meetings and he said yes, that is not a problem with him. He was asked what knowledge he has of the sewer district and he says he has limited knowledge however he has been on committees involved

with economic development, he is a retired certified public accountant, his base skill is finance, which is an excellent skill to have for the sewer district, his impressions of the district are that he feels it is running well but he does feel that there will be an explosive growth over the next five to ten years assuming that the state allows the sale of the land south of US 60. He is not terribly familiar with the wastewater treatment process nor is he a customer of the district. In reading what the board of directors is asked to do, evaluate, approve, et cetera, he feels he will be very comfortable participating in the decisions because it is part of his background as a certified public accountant. He does not own more than forty acres of land. He is not an elected public official. To her he looks very qualified to serve in this position.

Mayor Serdy commented if you look at our own council it is good to have diversity.

Councilmember Waldron commented he was a certified public accountant at Price-Waterhouse-Cooper and Cooper has nothing to do with Cooper's Sewer and Drain and he had nothing to do with the debacle at the Academy Awards.

Councilmember Struble asked if all the notices were mailed or emailed out.

City Clerk Kathleen Connelly stated they were emailed. She has a copy of the email notice and the confirmation that it was delivered simultaneously on November 29.

Mayor Serdy commented he is going to go out of order and go to the suggested motion on the bottom. He called for a motion for the sewer district.

Councilmember Waldron MOVED THAT PHILIP TREMONTI BE APPOINTED TO THE SUPERSTITION MOUNTAINS COMMUNITY FACILITIES DISTRICT NO. 1 BOARD OF DIRECTORS FOR A TERM TO EXPIRE JULY 7, 2022.

Councilmember Barker SECONDED

THE MOTION.

VOTE: Unanimous.

(During the vote Councilmember Struble commented he wanted to say something to make sure that this gets on the record for other applicants in the future, that if you apply for a position, just be aware that there are going to be interviews and to be looking for those and be aware of it so that if you do not get something that you contact the city clerk office and find out when the meetings are going to be.)

The motion carried.

Mayor Serdy called for a motion for the Construction Code Board of Appeals for the lay person.

Councilmember Waldron asked if this is the one Mr. Schroeder was interested in.

City Clerk Kathleen Connelly stated it is not. He would be a contractor. She did not want to butcher the man's last name but they did interview Hantzsche at the last meeting.

Councilmember Waldron MOVED THAT DAVID HANTZSCHE BE APPOINTED TO THE CONSTRUCTION CODE BOARD OF APPEALS IN THE POSITION OF LAY PERSON FOR A TERM TO EXPIRE OCTOBER 31, 2019.

Councilmember Evans SECONDED

THE MOTION.

VOTE: Unanimous.

The motion carried.

Councilmember Waldron MOVED THAT ROBERT SCHROEDER BE APPOINTED TO THE CONSTRUCTION CODE BOARD OF APPEALS IN THE POSITION OF CONTRACTOR OTHER THAN A GENERAL CONTRACTOR FOR A TERM TO EXPIRE OCTOBER 31, 2019.

Councilmember Evans SECONDED

THE MOTION.

VOTE: Unanimous.

The motion carried.

AWARD OF BID FOR PROJECT #PR-17-03
SUPERSTITION SHADOWS PARK POOL
DECK REFURBISHMENT)

) Parks and Recreation

Director Liz Langenbach briefed the council on the item.

Mayor Serdy asked if everything is fine with the school intergovernmental agreement and the sharing of it. He asked if it is all on the city.

Parks and Recreation Director Liz Langenbach stated this portion is. The intergovernmental agreement they have with the school district makes them responsible for certain portions of that shared property and this is not one of them. This is one of the things that is highlighted in our maintenance. They have fulfilled their obligations in renovating the tennis courts, adding pickle ball lines which are something our community definitely benefits from much more so than the students. They have fulfilled their obligations out there. This is one of ours.

Councilmember Struble asked what the life expectancy is on this.

Parks and Recreation Director Liz Langenbach stated the current product lasted about 14 years since its last renovation. This deck is easier to maintain and could last longer. It has a longer warranty than the existing one. We are way beyond our warranty on the current one. Our parks division does an amazing job at doing a lot of preventive maintenance. She believes it is probably within a 15- to 20-year range before they would be replacing something like that.

Councilmember Struble asked if she would be having a cannonball contest at the end of this.

Parks and Recreation Director Liz Langenbach stated they will. They have already had a great cannonball contest in one of their past manager's minutes and he is looking for somebody to compete with as Matt retired.

Mayor Serdy closed the discussion with no further comments and called for a motion.

Councilmember Waldron MOVED THAT THE AWARD OF BID FOR PROJECT PR-17-03, SUPERSTITION SHADOWS PARK POOL DECK REFURBISHMENT BE AWARDED TO FLEXGROUND THROUGH THE IGPA COOPERATIVE CONTRACT IN THE AMOUNT OF \$241,207.41 PLUS 5% FOR CHANGE ORDERS IN THE AMOUNT OF \$12,060.37 FOR A TOTAL AMOUNT NOT TO EXCEED \$253,267.78; AND THAT AUTHORIZATION BE GIVEN FOR THE MAYOR TO SIGN THE CONTRACT.

Councilmember Rizzi SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

DIRECTION TO STAFF

None.

SELECTION OF MEETING DATES, TIMES, LOCATIONS, AND PURPOSES

Mayor Serdy called for a motion.

Councilmember Barker commented the executive session and work session on Monday, January 1, 2018, has been canceled due to the observance of New Year's Day. She MOVED THAT AN EXECUTIVE SESSION AT 6:00 P.M. AND A WORK SESSION AT 7:00 P.M. BE HELD ON TUESDAY, JANUARY 2, 2018, IN THE CITY COUNCIL CONFERENCE ROOM AND CITY COUNCIL CHAMBERS RESPECTIVELY.

Councilmember Evans SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

CALL TO THE PUBLIC

None.

ADJOURNMENT)
) Mayor Serdy adjourned the
meeting at 7:49 p.m.

Consent Agenda Items are as follows:

1. Consideration of acceptance of agenda.
2. Consideration of approval of minutes of regular meeting of
December 5, 2017.
3. Consideration of approval of legal advertising agreement
between the City of Apache Junction and The Arizona Republic
for January 2, 2018 through December 31, 2018.

ACCEPTED THIS _____ DAY OF _____, 2018, BY THE
MAYOR AND CITY COUNCIL OF THE CITY OF APACHE JUNCTION, ARIZONA.

SIGNED AND ATTESTED TO THIS _____ DAY OF _____, 2018.

JEFF SERDY
Mayor

ATTEST:

KATHLEEN CONNELLY
City Clerk

CITY COUNCIL MINUTES
CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of the City of Apache Junction, Arizona, held on the 19th day of December, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 26th day of December, 2017.

KATHLEEN CONNELLY
City Clerk