



City of Apache Junction, Arizona

Meeting Minutes City Council Meeting

Meeting location:

City Council Chambers
at City Hall
300 E. Superstition Blvd
Apache Junction, AZ
85119

www.ajcity.net
Ph: (480) 982-8002

Tuesday, November 19, 2019

7:00 PM

City Council Chambers

A. CALL TO ORDER

Mayor Serdy called the meeting to order at 7:08 p.m.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Vice Mayor Wilson gave the invocation and Councilmember Evans led the meeting attendees in the Pledge of Allegiance.

C. ROLL CALL

Councilmember Struble participated by phone.

Present: 7 - Mayor Serdy
 Vice Mayor Wilson
 Councilmember Barker
 Councilmember Evans
 Councilmember Rizzi
 Councilmember Schroeder
 Councilmember Struble

Staff in Attendance:

Bryant Powell, City Manager
Matt Busby, Assistant City Manager
Anna McCray, Assistant to City Manager
Joel Stern, City Attorney
Jennifer Pena, City Clerk
Thomas Kelly, Police Chief
Al Bravo, Public Information Officer
Larry Kirch, Development Services Director
Maureen Fredrickson, Office Support Specialist

D. CONSENT AGENDA

Councilmember Barker moved, seconded by Councilmember Evans to approve the Consent Agenda.

1. [19-541](#) Consideration of acceptance of agenda.
2. [19-542](#) Consideration of approval of minutes of the regular meeting of November 5, 2019.

3. [19-553](#) Consideration of approval of contract on amendments to the Brightview Landscape Services Inc. contract in the amount of \$149,751.40 annually (with a recommended 5% contingency for unforeseen work with a grand total of \$157,238.97 annually) for landscape maintenance in city-owned right-of-way and other locations.

E. AWARDS, PRESENTATIONS AND PROCLAMATIONS

F. ANNOUNCEMENT OF CURRENT EVENTS

4. [19-543](#) Announcement of current events from mayor and councilmembers.

Councilmember Barker stated the Health and Wellness fair was held on Saturday, November 16. There were numerous vendors, lots of door prizes and the event was well attended. She congratulated Parks and Recreation on a job well done.

Councilmember Schroeder attended the Festival of the Superstitions where he had a booth for his business. He enjoyed the car show and stated the Veterans Tribute was very nice.

Councilmember Rizzi stated it was standing room only for the Veterans Tribute. It is a great tribute to our Veterans and she was very happy to see so many people attend.

She wanted to thank those individuals who helped with the fundraising and contributions for the playground equipment. Their efforts raised approximately \$40,000 and volunteers helped install it over the weekend. This is just one of the many reasons this makes Apache Junction such a wonderful place to live. When the community has such a great need, the community shows up.

Vice Mayor Wilson spoke more on the Festival of the Superstitions. He mentioned he and his wife took their pony to the festival where children could have a ride. He thanked the community for their support of the event.

Councilmember Evans commented on the highly attended Veterans Parade. It was nice to see so many people recognize and honor our Veterans. She announced Superior Court Judge Hazel asked her to sit on a mental health task force. The court currently has a Veterans Court and a drug court, but there are repeat offenders with the same offense which costs approximately \$6,800 each time they are arrested. They are looking to find solutions to help these individuals and use the funds more efficiently.

Mayor Serdy thought the Festival of the Superstitions was well attended but thought the parade had fewer attendees. He announced Saturday was the Household Hazardous Waste event which was very well attended. He stated the money the city receives from the event is put right back into holding the event. It is a significant financial expense to hold so all the money it put right back into holding it again. He found out later on Saturday at the same time there was a charity event occurring in the parking lot between Dirtwater Springs and the Handlebar restaurants. The event was not well advertised or promoted and he suggested the city look into who coordinated the event so if it is an annual event, it is better marketed.

He reported on the Central Arizona Project water canal tour he and a few others took. It was an amazing and very informational tour.

Councilmember Struble commented on Imagine Prep school's success in making the football play-offs this year. He congratulated them on the accomplishment.

He said they are still seeking applications for the AJ-Idol which will be held on January 26, 2020.

Councilmember Rizzi mentioned shopping local is very important and to also donate local. The food drive and toy drives seen around town may not be staying local, so please ask management if the donations are staying local.

She announced the Holiday Decoration Competition. More information will be on line and through the Chamber of Commerce.

G. CITY MANAGER'S REPORT

5. [19-544](#) City Manager's Report.

City Manager Bryant Powell highlighted the water canal picture where the canal actually goes under the Salt River. It is an engineering marvel. He spoke on water conservation around the valley, recharging zones and underground water that will provide the valley with more water. He spoke briefly about State Route 24 (Gateway Freeway). The council will be receiving an update in the next few months. Groundbreaking should be initiated sometime in November of 2020.

He thanked Public Works staff who have been working with the Fire District in preparation of the coming weather. There will be bags and sand for the public to prepare their own sandbags for the predicted rains.

He also thanked those individuals who worked so diligently on the Household Hazardous Waste Day event.

H. PUBLIC HEARINGS

- 6. [19-546](#)** Consideration of approval of Resolution No. 19-29, approving the sale, execution and delivery of pledged revenue refunding obligations, evidencing all the interests of the owner thereof in a purchase agreement, the proceeds of which will refinance the costs of expansion and renovation of the city's public library; authorizing the execution and delivery of such purchase agreement, a trust agreement, a letter of instruction, and other necessary documents; delegating authority to the city manager and the assistant city manager of the city to determine certain matters and terms with respect to the foregoing; authorizing the prepayment in advance of maturity of certain outstanding obligations; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency.

Councilmember Evans moved, seconded by Vice Mayor Wilson to approve Resolution No. 19-29, approving the sale, execution and delivery of pledged revenue refunding obligations, evidencing all the interests of the owner thereof in a purchase agreement, the proceeds of which will refinance the costs of expansion and renovation of the city's public library; authorizing the execution and delivery of such purchase agreement, a trust agreement, a letter of instruction, and other necessary documents; delegating authority to the city manager and the assistant city manager of the city to determine certain matters and terms with respect to the foregoing; authorizing the prepayment in advance of maturity of certain outstanding obligations; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency.

Assistant City Manager Matt Busby briefed the city council on Resolution No. 19-29 (the "Resolution") authorizing the execution and delivery of Pledged Revenue Refunding Obligations, Series 2019 (the "2019 Obligations") in an aggregate principal amount of up to a maximum of \$1,900,000. This refinancing is recommend so that the City can save at least \$140,000 in interest payments.

The 2019 Obligations are to be issued for the purpose of refinancing the costs of the expansion and renovation of the City's Public Library, which improvements were financed in 2007 with the proceeds of a loan (the "Loan") from the Greater Arizona Development Authority.

Primarily, the Resolution authorizes the refinancing of the Loan with the proceeds of the 2019 Obligations, approves the forms of legal documents that structure the execution and delivery of such obligations, and pledges the City's unrestricted excise taxes, state shared revenues and other non-property tax revenues (collectively, the "Pledged Revenues") to repayment of the 2019 Obligations.

To provide the City with the most legal flexibility with respect to the sale of the 2019 Obligations, the Resolution establishes certain parameters within which the 2019 Obligations can be issued and delegates authority to the City Manager and the Assistant City Manager (the "Authorized Officer") to determine and sell the 2019 Obligations on the most advantageous terms. Pursuant to the Resolution, the 2019 Obligations may be issued in a principal amount not-to-exceed \$1,900,000; may bear interest at rates not to exceed 3%; may be repaid over not more than 7 years; and must generate savings of at least 3% or more of the amount of the Loan that is being refinanced.

Under Arizona law, the 2019 Obligations must be executed and delivered by a trustee, in this case U.S. Bank, pursuant to a Trust Agreement and Purchase Agreement, and the Resolution approves such agreements.

Under the Purchase Agreement, the City sells the 2007 Project (the Library improvements financed by the Loan) to the Trustee in exchange for: (i) the Trustee's execution and delivery of the 2019 Obligations; and (ii) the Trustee's application of the proceeds to prepayment of the Loan. Simultaneously, the Trustee resells the 2007 Project to the City in exchange for the City's agreement to make Payments to the Trustee in amounts sufficient to pay the principal of and interest on the 2019 Obligations. The Purchase Agreement establishes by contract that the 2019 Obligations will be paid by the City from the Pledged Revenues (i.e., sales taxes) only.

The Trust Agreement establishes the legal and financial structure for accomplishing the refinancing of what is left of the original Loan.

The Letter of Instruction simply directs the Trustee as to the deposit of 2019 Obligation proceeds and the application of such proceeds to the prepayment of the Loan on a specified date.

Mayor Serdy opened the public hearing.

Laurel Lewis, 5430 E. Shiprock, Apache Junction, AZ asked for clarification on what "declaring an emergency".

City Attorney Joel Stern stated he is not the attorney on this matter. When dealing with bonds, the law requires outside special bond counsel.

Eric McGlothlin, bond attorney, stated the emergency clause makes the resolution effective immediately. The reason they are doing this is because this is a refunding and in order to take advantage of the interest rate the City needs the Request for Proposals to be published so those who wish to purchase the bonds are able to do so.

Mayor Serdy closed the public hearing.

Councilmember Evans stated this is not a quick decision of the Council, the Council had an executive session which provided them with significant information on the matter.

I. OLD BUSINESS

J. NEW BUSINESS

7. [19-527](#) Discussion and possible approval of legal advertising agreement with the Arizona Republic for the one year period commencing on January 1, 2020 through December 31, 2020.

Councilmember Rizzi moved, seconded by Vice Mayor Wilson to approve the legal advertising agreement with the Arizona Republic for the one year period commencing on January 1, 2020 through December 31, 2020.

City Clerk Jennifer Pena stated the Arizona Republic is the only paper the city can use for meeting the legal publication requirements of city business. This is an annual contract which in 2018 had an increase in pricing.

8. [19-535](#) Presentation and discussion on Fiscal Year 19-20 Council Work Plan - 1st Quarter Update.

Anna McCray, Assistant to the City Manager, provided an update on the Fiscal Year 2019-2020 Council Work Plan. She stated there were 26 projects identified throughout the city to be addressed.

There were six projects to be completed in the first quarter, which have all been completed.

These were:

- a) Contract award for the citizen brochure
- b) The Multi-Gen Center bingo license for senior services
- c) Establish a Public Arts Commission
- d) Slurry seal Old West Highway; Idaho to US 60
- e) Development fee ordinance update and infrastructure improvement plan update and the RFP for solid waste, recycling & disposal services and corresponding ordinance.

Upcoming second quarter projects consisted of:

- a) Reconstruction of Winchester road; 16th Ave. - Southern Ave.
- b) Reconstruction of Main drive; 1st Ave. - Broadway
- c) Reconstruction of Grand Drive; Apache Trail - Broadway
- d) Superstition Shadows Park Fencing
- e) City Public Records Request Process Update
- f) City Code Chapter 8: Business License Code changes

K. COUNCIL DIRECTION TO STAFF

L. SELECTION OF MEETING DATES, TIMES, LOCATIONS, AND PURPOSES

9. [19-545](#) Executive Session at 6:00 P.M. and Work Session at 7:00 P.M. for Monday, December 2, 2019 and Executive Session at 6:00 P.M. and Work Session at 7:00 P.M. for Tuesday, December 3, 2019 in the city council conference room and city council chambers located at 300 E. Superstition Boulevard, Apache Junction, Arizona, respectively; and other meetings if necessary.

Councilmember Evans moved, seconded by Councilmember Barker that an executive session at 6:00 p.m. and work session at 7:00 p.m. for Monday, December 2, 2019, and executive session at 6:00 p.m. and work session at 7:00 p.m. for Tuesday, December 3, 2019, be held in the city council conference room and city council chambers located at 300 E. Superstition Boulevard, Apache Junction, Arizona, respectively; and other meetings if necessary.

M. CALL TO PUBLIC

Brenda Grieve, 1780 E. 20th Ave. Apache Junction, commented on her property constantly being flooded and washed out during heavy rains. She asked her friend Tea Schaefer to better explain the circumstances that are causing the flooding.

Tea Schaefer, 1125 N. Gold Dr. Apache Junction, stated the photos she brought and shared with council depict the original lot build and drainage of Ms. Grieve's property prior to the subdivision built at the north end. Over the years the drainage and run off of water went around her property. Today the maps show a change in the drainage pathways and with the newer construction near her property, her property now suffers flooding and erosion. They are looking for help from the city with any recourse or remedy and who they should be contacting to help with resolution to the problem.

James Boerigter, 1054 E Roosevelt St., Apache Junction, had questions and concerns about the operations occurring at Lucky Skies located at 945 E. Scenic St. When it was Superstition Skies they applied for and received an extension of premises in 2007 and 2009 even though staff recommended denial of the extensions due to non-conformity. In March of 2019 they also did a transfer of their liquor license which Council approved.

Now they have an RV behind the business and there is outdoor music and lights. He would like some remedy from the city.

Tea Schaefer, 1125 N. Gold Dr. Apache Junction, spoke on PZ9-19 but would like to make sure the drainage is addressed so it does not impact her property. The FEMA overlay is not correct and would like to know who she is to speak with regarding this matter. City staff has deferred her to FEMA, and FEMA has referred her back to the city.

She was told to ask why is drainage not regulated, or is it regulated?

She presented images of her property, historical overlay of drainage pathways. The new FEMA map is not correct in any way shape or form. Her property becomes of no value.

Kimber Shinn, 1877 W. 11th Ave. Apache Junction, spoke on the solid waste matter.

She switched several years ago from one provider to the next because of the pricing increases and was thankful she had that option. Enforcement costs will increase and maintaining the 100% participation rate will fail. There are many people that cannot afford forced bills.

Laurel Lewis, 5430 E. Shiprock St., Apache Junction, stated while her address is outside the city limits she does have interest in a city property. The two handouts provided by the city do not address important facts. The Arizona Administrative Code does not address enforcement of mandatory garbage collection, which will be done by changing the city code. The contract will force residents to use only one private company for the next 8-10 years. The other item not addressed by the handout is the administrative fees paid to the city by Republic Services. The administrative fee will only be collected from single family residents up to a fourplex. RV resorts, mobile home parks and residential dwellings over a fourplex will not have to pay this fee. What is the city administering that warrants the collection of this fee.

She has found nothing in writing that dedicates the administrative fees to specific services. The handout missed surcharges from Republic Services. No mention of start up costs, container costs or other hidden fees were addressed.

Councilmember Evans requested the city attorney contact Ms. Grieve's, Ms. Schaefer and Mr. Boerigter are put in contact with the appropriate staff.

N. ADJOURNMENT

Mayor Serdy adjourned the meeting at 7:58 p.m.

ACCEPTED THIS _____ DAY OF _____, 2019, BY THE MAYOR
AND CITY COUNCIL OF THE CITY OF APACHE JUNCTION, ARIZONA.

SIGNED AND ATTESTED TO THIS _____ DAY OF _____, 2019.

JEFF SERDY

Mayor

ATTEST:

JENNIFER PENA
Deputy 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 _____ day of _____, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2019.

JENNIFER PENA
City Clerk