



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, April 17, 2018

7:00 PM

City Council Chambers

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A. CALL TO ORDER

The regular meeting of the City Council of the City of Apache Junction, Arizona, was held on April 17, 2018, at the Apache Junction City Council Chambers pursuant to the notice required by law.

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

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Vice Mayor Wilson gave the Invocation.

Councilmember Waldron led the Pledge of Allegiance.

C. ROLL CALL

Present: 6 - Mayor Serdy
Vice Mayor Wilson
Councilmember Barker
Councilmember Evans
Councilmember Struble
Councilmember Waldron

Absent: 1 - Councilmember Rizzi

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
Development Services Director Larry Kirch

Assistant to the City Manager Anna McCray

Others Present: Public Information Officer Al Bravo
Building Official Dave Zellner
Grants Coordinator Heather Patel
Sponsorship/Partnership Programs Administrator Roger Hacker
Senior Planner Rudy Esquivias
Planning Intern Danielle Jordan

D. CONSENT AGENDA

Yes: 6 - Mayor Serdy, Vice Mayor Wilson, Councilmember Barker, Councilmember Evans, Councilmember Struble and Councilmember Waldron

No: 0

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

THAT APPROVAL BE GIVEN TO RESOLUTION NO. 18-10, A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF APACHE JUNCTION, ARIZONA, AUTHORIZING THE CITY TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH SOUTH CENTRAL PLANNING AND DEVELOPMENT COMMISSION ("SCPDC") FOR LICENSING SCPDC SOFTWARE KNOWN AS "MYGOVERNMENTONLINE"; AND

THAT THE AWARD OF BID FOR PW-2017-35, JANITORIAL SERVICES, BE AWARDED TO JB SUPERIOR MAINTENANCE SERVICES IN THE AMOUNT OF \$275,856 FOR A PERIOD OF ONE YEAR WITH THE OPTION TO RENEW FOR NINE (9) ADDITIONAL ONE YEAR PERIODS; AND THAT AUTHORIZATION BE GIVEN TO THE MAYOR TO SIGN THE AGREEMENT PENDING APPROVAL AS TO FINAL FORM BY THE CITY ATTORNEY; AND

THAT RESOLUTION NO. 18-16, A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF APACHE JUNCTION, ARIZONA, AUTHORIZING THE CITY OF APACHE JUNCTION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH ARIZONA DEPARTMENT OF PUBLIC SAFETY FOR LAW ENFORCEMENT SERVICES AT THE UNIVERSITY OF PHOENIX STADIUM, BE APPROVED.

Vice Mayor Wilson SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

1. [18-191](#) Consideration of acceptance of agenda.
2. [18-192](#) Consideration of approval of minutes of regular meeting of April 3, 2018.

3. [18-142](#) Consideration of proposed Resolution No. 18-10, authorizing the city of Apache Junction to enter into an intergovernmental agreement with South Central Planning and Development Commission (SCPDC) for licensing software known as Mygovernmentonline.
4. [18-175](#) Consideration of proposed agreement for PW 2017-35 with JB Superior Maintenance Services, LLC for \$275,856 for a period of one (1) year with the option to renew for nine (9) additional one-year periods.
5. [18-177](#) Consideration of proposed Resolution No. 18-16 authorizing the city to enter into an Intergovernmental Agreement (IGA) with Arizona Department of Public Safety (DPS) for law enforcement services at the University of Phoenix Stadium.

E. AWARDS, PRESENTATIONS AND PROCLAMATIONS

6. [18-170](#) Proclamation designating the month of April as Fair Housing Month.

Mayor Serdy read a proclamation designating April as Fair Housing Month and presented it to Grants Coordinator Heather Patel.

F. ANNOUNCEMENT OF CURRENT EVENTS

7. [18-164](#) Announcement of current events from mayor and councilmembers.

Vice Mayor Wilson announced Superstition Horsemen's Association and P&M Arena partnered with Fry's to put in a hitching post on the east side of the new Fry's building.

Vice Mayor Wilson announced that he and Councilmember Rizzi attended the Suicide Ripple Effect documentary on the only survivor off the Golden Gate Bridge.

Vice Mayor Wilson announced his miniature horse passed the certified service animal test.

Councilmember Evans announced on last Wednesday they had the first Pinal County Youth Forum at Central Arizona College that included topics such as teen suicide, drug abuse and living in foster care. The next one will be June 8 or June 16 at Apache Junction Unified School District.

Councilmember Evans announced Saturday is the Ladybug Festival and the last Farmers' Market for the season.

Councilmember Struble introduced the student council from Desert Vista and they talked about their accomplishments for the year.

Councilmember Struble introduced the student council from Peralta Trail Elementary and their advisor commented on their biggest accomplishments of the school year.

Mayor Serdy announced this Saturday American Legion Post #27 is having the Legion of the Silver Rose Ceremony that is open to the public. At noon they will start at the gazebo and have a motorcade to the post on Meridian. It is regarding agent orange.

G. CITY MANAGER'S REPORT

8. [18-165](#) City manager's report.

City Manager Bryant Powell commented on the student councils that were present, the planning software contract and the janitorial contract.

Assistant City Manager Matt Busby gave a presentation on the monthly financial statement for March.

Councilmember Struble commented he had a continuous comment to our state legislators to get on the department of revenue to get us our money they owe us. We are continuously at least two months behind in reimbursement from the sales tax they mandated they collect for us. We were doing just fine before they did that. It puts a hindrance upon us to be able to provide the services we need to our citizens because they do not reimburse us the amounts we that we should be getting.

9. [18-158](#) Update by board president, Dave Richins, on the Community Development Corporation (CDC).

Mr. Dave Richins, board president of the Community Development Corporation, gave an update on their activities.

Mayor Serdy asked how the average citizen can help if this is all done through the board. He asked how one gets on the board.

Mr. Dave Richins stated the first person to reach out to would be Roger Hacker, their only "staff". There is no professional staff as they are all volunteers. Roger or Larry Kirch at the city are a good place to start. Another is Councilmember Evans. They can talk to them if they have interest. They will have them come to a meeting, advise them of the goals of the Community Development Corporation and make sure there is a

complementary fit between the two. They try to target people in the local community. He does not live in Apache Junction. They will be building leadership in the community and this community is going to be led by Apache Junction residents. He will mentor and teach along the way.

Mayor Serdy commented they do not need to be in the city limits to help. He knows a lot of people that live outside the city want to help on boards and commissions. Here is an opportunity.

Mr. Dave Richins stated they do not have a bylaw restriction for that. People need to recognize where the Community Development Corporation is at. It is trying to learn to walk before it runs. They are trying to knock off a few achievable goals early on. Once they figure out how to fund this entity and build community development capacity, they will add additional expertise to the board and they could eventually get some professional staff in place.

Mayor Serdy asked when they can do some bigger projects. They are not quite there yet, but if there is something bigger happening this is the kind of board that can help.

Mr. Dave Richins stated they have a unique opportunity. As the funds continue to grow as the tax base grows, your community development needs will grow. The city will have the opportunity, as they work with the city manager, mayor and council, to identify funds that could be set aside for community development. A lot of cities grow that as a department of the city. Some cities might choose to outsource that activity to an organization like the Apache Junction Community Development Corporation. They need to make sure that organization is in concert with the goals of the city. If city funds go that direction, they want to make sure they are accomplishing their goals with those funds.

City Manager Bryant Powell asked if he wanted to introduce any of the board members.

Mr. Dave Richins stated he had already done so. The list shows a few of the other folks that are serving on the board. They will have some more activities in the fall and they will continue to grow to capacity to help the community.

Mayor Serdy commented he wanted to give a thank you. He had been speaking right outside the city to some folks and inside the city. They are always suspicious of what is in it for

them. Here is another example of a board where they are not getting paid for this. This is all volunteer. They just want to give back to the community. Looking at all the boards, commissions and volunteers at animal control, there is no pay for this. They do it just to be helping. It is so awesome. Just like he said about the kids helping a school in Texas. He wished more people would understand the more you give the more you will get back some day. He appreciates him.

H. PUBLIC HEARINGS

10. [18-169](#) Presentation, discussion, public hearing and consideration of proposed Resolution No. 18-07, authorizing the submission of Fiscal Year 2018 (FY18) Community Development Block Grant (CDBG) and State Special Project (SSP) grant applications.

Yes: 6 - Mayor Serdy, Vice Mayor Wilson, Councilmember Barker, Councilmember Evans, Councilmember Struble and Councilmember Waldron

No: 0

Grants Coordinator Heather Patel briefed the council on the item.

Mayor Serdy asked if they would be putting in a paragraph explaining why they are getting the survey because if he gets a survey like that he would say they do not need to know that and he would throw it away in the trash. He asked if they can put in there why they need the information and this is what can happen if they fill it out.

Grants Coordinator Heather Patel stated absolutely. This is pertaining to the lighting on Phelps and that would be the only project they would need to do a survey on. The letter would very clearly state the reason for it, what project they are proposing to do and what we need to get as a result of it. How many surveys and whatnot.

Mayor Serdy asked what the cut off/standard is for low to moderate income.

Grants Coordinator Heather Patel stated she does not have that information at this time but she believes a household of two would be around \$42,000. That is what she can recall at this time. She continued with her briefing.

Mayor Serdy opened the public hearing on the item.

Ms. Gina Fair, 9950 E. Lindner Avenue, Mesa, a teacher at Desert Vista, addressed the council. She stated they have aging schools but she is not sure if this could be considered. There are sidewalks crumbling, rusty rebar coming through the sidewalks and falling tiles in bathrooms. She does not know if this is something the schools could benefit from.

Mr. George Schroeder, 2444 W. Virginia, Apache Junction, addressed the council. He stated in 33 years none of his streets have ever gotten any attention. Today a truck delivered recycled asphalt to continue what he had been doing to improve his street. Five streets have been flooding and none have been improved. He complained about no funds going to his neighborhood. More kids are on his street due to improvements he has made. He will continue to get rid of the drug addicts and drug dealers that come by. He asked Ms. Patel to look at his neighborhood. He does not consider Delaware one of the streets for this as people are using it as a racetrack. They need monitoring, surveys and a way to curb that traffic problem. With more kids, bicycles and people walking in his neighborhood he fears someone will get hit. He suggested speed bumps.

Councilmember Barker called for a point of order. She asked what he specifically wants to add as a suggestion for one of these grants. She asked that he be specific in a couple of words.

Mr. George Schroeder stated he did not want the grants to go to people just because they are below poverty and just because they cannot find somebody to rent to them.

Councilmember Barker commented but those are the qualifications for the grant.

Mr. George Schroeder stated he knows but there are laws that prevent that from happening. Those are his rights.

Mayor Serdy commented this is not the place for that discussion. He needs to comment on what we are talking about here. That is all he can do.

Mr. George Schroeder stated he wanted to comment that they have rights, too.

Mayor Serdy commented there are 40,000 other

people in the city, too.

Mr. George Schroeder stated good people that keep up their homes and look out for their neighborhood are more important than people who have been incarcerated two or three times.

Mayor Serdy commented this is just a hearing to hear from you. He called for anyone else. There being no one else wishing to speak, he closed the public hearing. He reopened the item to council discussion.

Councilmember Waldron asked if Heather could address the school issue. He commented in the staff report it shows the construction on Grandview as Community Development Block Grant and State Special Projects eligible. He asked if it would increase the chances of an award on the competitive side if that project were listed for both or does it make any difference.

Grants Coordinator Heather Patel stated it would not necessarily make the application on the competitive one better, it demonstrates our focus and goal of getting that neighborhood completed. They cannot necessarily use that as leverage to say they are investing the Community Development Block Grant money to get extra points. Regarding the schools, she has never been asked to put money into the schools. Generally speaking, they could put funding into our city facilities and we can put them in nonprofit facilities that provide a public service. She does not recall ever seeing school in there. She does not think it is necessarily eligible but if it is something they are really interested in wanting her to look further into, they can postpone the public hearing and she can do some checking on that.

Councilmember Barker asked if that would have to meet the low-income standards.

Grants Coordinator Heather Patel stated it would, however children tend to be an acceptable limited clientele so they generally do not have to show income information on that. Another thing she questions is if it is a community-wide benefit. There are a lot of things she would have to look into.

Councilmember Struble commented if they chose to use both funds for the sidewalks on Grandview they would put it in both of the applications, in the State Special

Projects that we are applying for the Community Development Block Grant and vice versa so that they would see that. It would not have an objective effect but they would see it.

Grants Coordinator Heather Patel stated that is correct. We have completed First Avenue, Palo Verde and we are finalizing the design for Grand, Ocotillo, Main and Saguaro. Our FY 2017 application for State Special Projects is to do one of those streets. She is not sure which one it will be yet. If we say for 2018 that we want to continue, then we could say for the State Special Projects that we would do another street or a portion of it and for the Community Development Block Grant. It is basically saying we are continuing on as each application process comes up. The unfortunate thing is that it is based on timing. They will get a whole grant completed before the next one is even submitted. It is a continuing process.

Vice Mayor Wilson asked if it would hurt at all in this application if they said to look into the school activity.

Grants Coordinator Heather Patel stated it would not be harmful at all. Timewise, the only thing is by May 30 she has to have in her letter of intent to the state saying what the project is going to be. They would have to continue this public hearing to the next meeting. By then she should have thoroughly checked it out and vetted it to see if it something they could do. She would also have to talk to the school to find out what exactly their needs are.

Mayor Serdy commented it is kind of late in the game to bring that whole other dynamic into it. Maybe next year they could start earlier and look at some of those things. He asked how the city is supposed to know what condition certain facilities are. They have county, state and federal to look after that.

Councilmember Barker commented they also have some sidewalks on some schools on Bureau of Land Management land, state land and all of that. All of that would have to be separated. She knows Desert Vista has a sidewalk problem but it is on so many different governmental pieces of land it is almost impossible to figure it all out.

Grants Coordinator Heather Patel stated it would have to be our land and our right-of-way in order to put anything like a sidewalk on it.

Councilmember Struble commented it could not be inside of the school or in the parking lot of the school. It would have to be on the street or sidewalk.

Grants Coordinator Heather Patel stated that is correct. Unless there was some sort of agreement that would allow us to do that with the school and the city, there would be a lot of varying factors.

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

Councilmember Waldron MOVED THAT RESOLUTION NO. 18-07, A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF APACHE JUNCTION, ARIZONA, AUTHORIZING THE SUBMISSION OF APPLICATIONS FOR FY 2018 STATE COMMUNITY DEVELOPMENT BLOCK GRANT REGIONAL ACCOUNT ("CDBG") FOR THE CONSTRUCTION OF GRANDVIEW SIDEWALKS, FOR FISCAL YEAR 2018 STATE SPECIAL PROJECT ("SSP") FUNDS FOR THE CONSTRUCTION OF GRANDVIEW SIDEWALKS, AND CERTIFYING THAT THE APPLICATIONS: (1) MEETS THE IDENTIFIED HOUSING AND COMMUNITY DEVELOPMENT NEEDS; AND (2) IS NECESSARY FOR IMPLEMENTATION AND COMPLETION OF THE ACTIVITIES OUTLINED IN THE CDBG AND SSP APPLICATIONS, BE APPROVED.

Councilmember Evans SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

11. [18-185](#) Presentation, discussion, public hearing and consideration of proposed Ordinance No. 1461 (PZ-1-18), a city-initiated request to rezone the properties along Ironwood Drive between Apache Trail and Broadway Avenue from B-1 (General Commercial) to B-2/PD (Old West Commercial by Planned Development) for the purpose of revising certain code requirements to make future developments easier.

Yes: 6 - Mayor Serdy, Vice Mayor Wilson, Councilmember Barker, Councilmember Evans, Councilmember Struble and Councilmember Waldron

No: 0

Planning Intern Danielle Jordan briefed the council on the item.

Mayor Serdy 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 Waldron MOVED THAT ORDINANCE
NO. 1461 BE READ BY TITLE ONLY AND THE READING OF THE ENTIRE
ORDINANCE BE WAIVED.

Councilmember Barker SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

City Clerk Kathleen Connelly read the
ordinance by title only.

Councilmember Waldron MOVED THAT ORDINANCE
NO. 1461, AS READ BY THE CITY CLERK, BE APPROVED AND ADOPTED.

Councilmember Barker SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

I. OLD BUSINESS

None.

J. NEW BUSINESS

- 12.** [18-132](#) Presentation and discussion on Fiscal Year 17-18 Council Work Plan - 3rd
Quarter Update.

Assistant to the City Manager Anna
McCray briefed the council on the item.

Councilmember Struble commented on number 19
there is a box culvert they are going to put in on Baseline.
He asked if they are doing that to widen the road. He asked
if they would be widening the road at the same time.

Assistant to the City Manager Anna McCray
stated she presumed they would be doing so. She was not aware
if the public works director was in attendance to answer that
question. She will find out that information for him.

Councilmember Struble commented he is sure

that they will. He cannot imagine them putting another one in there because if they are going to be widening the road and making it more passable, to put in a new culvert and bring the traffic back down at the other end would be silly, but we are talking about the State of Arizona.

Mayor Serdy closed the discussion with no further questions. This was a discussion item only and he moved on to the next item.

K. COUNCIL DIRECTION TO STAFF

13. [18-171](#) Council direction to staff on the concept of dedicating a percentage of future permit fees to be set aside and used for acquiring community art as discussed at the April 2, 2018 council work session.

City Manager Bryant Powell briefed the council on the item.

Mayor Serdy asked if he heard back from the person in Toledo they got the tip on.

City Manager Bryant Powell stated he reached out to the council member from Toledo but he did not hear back from him.

Mayor Serdy commented one percent sounds so small but it could actually be very large. Right now if they did anything on this it would have to come out of the general fund. We are getting ready to spend something at Idaho and the Trail.

City Manager Bryant Powell stated development fees or if they would be able to get a grant somewhere they could use those dollars.

Mayor Serdy asked if they could put something in temporarily for a year so they could see what could pile up and then relook at it to see if they could reduce it to half a percent or even less. We do not need a lot. We are not covering the town with art. It is just every now and then they have a project like the one at Idaho and the Trail.

Councilmember Waldron commented this is not an additional fee but a percentage of the current fee for permits.

City Manager Bryant Powell stated the fee is an additional one for Oro Valley.

Councilmember Waldron commented but it is not for what they are thinking of here. He asked if it is an additional fee or a percentage of what is currently being charged.

Vice Mayor Wilson commented he thought it was a percentage of what is currently charged.

Councilmember Waldron asked what that would have generated over the last year with the building permits.

Mayor Serdy commented that is what he would like to know, also.

Councilmember Struble commented for clarification so that they understand, they have a fee they charge developers, say it is \$100, so one percent would be \$1. They are still going to collect \$100 from the developer but instead of using all of the \$100 to do what we want to do we are going to take \$1 to put it towards art. He asked if that made sense.

City Manager Bryant Powell stated that made sense to him.

Councilmember Struble asked if that is what this is about.

City Manager Bryant Powell stated that is an opportunity cost. It is revenue we will have to use towards art.

Mayor Serdy commented he would also ask that maybe not necessarily art but perhaps landscaping, too, which in his mind is art. It makes a pretty town.

Councilmember Barker commented Larry had been talking about how they are going to figure out their fees on the fee schedule. They were doing it based on the time that was spent and the equipment that was used, et cetera. They were not adding any mark up to that as a dealer or something would. It was all based on that. She does not know if she would be in favor of taking any money out of that because they have already set it up. It costs us x amount of dollars to do this and we are charging them x amount of dollars. Now you want to take a percentage away from that. She does not see that.

Councilmember Evans commented in the last discussion Larry said the last time we looked at our fees and what we were collecting was in 2008. That is why they had the other presentation where they were telling us how they were going to set up the new fee schedule. She is concerned about adding an additional take away when we do not even know if we are at market yet. This could take out more funds from the general fund when we have the potential of putting more in. They need to have a better idea. She asked if there would have to be a category that said art, landscaping or any other visual improvement if they designate it as just for art, because if it was on the permit itself there would have to be a way to do it. Joel had stated they could not charge an additional fee since our permit money goes into the general fund. A developer does not know what portion of that permit goes to things such as our lights or water in the building. It is not a fee they would necessarily know. She does not even know if our fees are up to date. She gets hung up with when they talked about having an arts commission in the past. They decided they were going to go with SACA, have their fundraising and acquire art that way. Mesa used a business community to create their statues and their improvements along Main Street. If we did something like this for city improvements so that if they had an extra pot to pull from, our streets that do flood, in that case she does not see the necessity of a separate pool of money. We have some serious conditions that exist in our older neighborhoods that we inherited from Pinal County. We are trying very hard to work on those and it would be nice to have new development pay for inferior older development.

Councilmember Barker asked if that is what they are doing.

Councilmember Evans commented that is what those impact fees do, the roads and everything and she agrees with that. But we do not even know if our fees are up to date to be able to split off another piece. She asked if we are alright or are we low. If they were done in 2008, that is only 10 years ago.

City Manager Bryant Powell stated he will have Larry come up and talk about when they are going to go through the fee change.

Development Services Director Larry Kirch stated they are from 2006. They are referencing tables from

back there as well. He has not done research as it is not direction to staff yet. The Oro Valley ordinance is set up entirely different. It is based on permit valuation. The permit comes in at \$10 million so the fee is \$100,000. Projects under \$50,000 are exempt, so small private ones are exempt. They look at the ability to pay. If someone can build a small medical office building that costs \$2 million, they would pay \$20,000 in our fee. They can pay in lieu of by providing art on site. There are all sorts of things including the base, pedestal and the art itself as being put towards the \$20,000. Or they can just give the city a check and have the committee or the process figure out where they want the public art. In the next month he suggested they read the Oro Valley ordinance. They do not siphon off a portion of the permit fee. They take the valuation of the building, a 2015 or 2016 fee, take one percent of that and then that money goes into a pot.

Councilmember Evans asked if it is just commercial.

Development Services Director Larry Kirch stated it is commercial only, no residential. It could be a half of a percent or do not do it at all. It may be instructive to read the ordinance as to how they are doing it. It is pretty straightforward. The first couple of pages list what is exempt, what it can apply to and how you can pay a fee in lieu of. Essentially you take the value of the project and take one percent of that, but they also have exemptions.

Councilmember Evans commented over and above anything else they pay.

Development Services Director Larry Kirch stated that is correct. It also applies to building expansions such as phase 2. It applies to phase 2 at 25%. If they have a 100,000 sq.ft. building and they add on another 25,000 sq.ft. it applies. If they add 20,000 sq.ft. it does not apply. It is when they hit 25% expansion that it applies.

Councilmember Evans commented that the developers know that it is specific for that.

Development Services Director Larry Kirch stated it is in the ordinance. It is all calculated out and they can pay in lieu of, it does not apply to residential and there are exemptions for things like repaving a parking lot. It does not nickel and dime you. It is for hard construction

and new buildings.

Councilmember Struble commented but they are assessing an additional fee.

Development Services Director Larry Kirch stated it is an additional fee based on the value of the project. The Oro Valley community chose to do that.

City Attorney Joel Stern stated they have not been directed to staff yet. If they amend or increase any fees, he does not know how the attorney general would look at that, but it sounds like an increase. Maybe it is not. There is a statute that requires a 60-day notice before you actually have a hearing. It has to be on the internet. Once they amend the ordinance they would have to follow that statute.

Mayor Serdy thanked Larry for looking into that because he did not have direction to staff. He must have done that in his spare time. We do not know what would accumulate because we have not done direction to staff. It almost seems like we are ahead of our time on this. We are not one of the wealthier cities in the valley like a Paradise Valley. When they get a project, they get massive resorts or whatever. It would be so easy to do that and it ends up helping the resort anyway. It makes it some place you would want to go.

Councilmember Struble commented what they heard last night when staff talked to them about one of the voluminous reports they got from Arizona State University was the students talking about additional ways or revamping to generate revenue for the city. He could not remember the exact wording and which one of the five things they were talking about. That might be something they could throw out there to the students. He thinks they are going to be starting a new program next fall and it might be something they might want to throw at them, to come up with some revenue-generating process for something like this.

Mayor Serdy commented they could then have them check on all the other cities and see what they are doing.

Councilmember Barker commented they can check all the other cities. She loves that.

Councilmember Struble commented he is not sure if that is direction to staff but it is something to look

at.

Councilmember Barker commented it is not a direction to staff.

Mayor Serdy commented it would be direction to the students. It is a very intriguing idea but he is not sure the city is ready and we do not want to jeopardize any positive growth.

Councilmember Evans commented that is correct. We want more commercial development. We would not want to do anything that would inhibit that. We have people that come in here with businesses that do not bother to pay any of the fees that are already required let alone to have a potential project come in that would be between us and the Maricopa County island who does not have that fee but they can buy the land for the same amount of money and build the same project west of Meridian. She would hate to see something like that shoot us out of the ballpark.

City Manager Bryant Powell stated another thing he might add on this subject as we think about art, being a goal for all of us, is one area that might be of benefit. At the League of Cities and Towns Conference he will be asking other city managers there and at other places to see how these other cities do it. They talk to a lot of different people. The vice mayor did take a tour or learned a little about Oro Valley. He does not know of very many cities that are doing that. There are other ways that cities have counselled and worked together with the community to get dollars either through volunteers or other means. He encouraged all of them to research it that way.

Mayor Serdy commented in a situation like this they can just make no motion at all and just move on if he does not hear a motion in the next few seconds.

City Attorney Joel Stern stated if no motion is made it does not go anywhere.

Mayor Serdy commented among themselves they still have the authority to talk to the students and whomever. It could come back when we gain more knowledge. He thinks it was a good thing they did discuss it and it gave us more options to know what is out there in the country and the state. He is not seeing a motion so he closed the item with no further discussion and moved on to the next item.

14. [18-172](#) Council direction to staff on establishing a term limit for the mayor position as discussed at the April 2, 2018 council work session.

City Manager Bryant Powell briefed the council on the item.

Mayor Serdy asked if he heard back from the person in Toledo they got the tip on.

City Manager Bryant Powell stated he reached out to the council member from Toledo but he did not hear back from him.

Mayor Serdy commented one percent sounds so small but it could actually be very large. Right now if they did anything on this it would have to come out of the general fund. We are getting ready to spend something at Idaho and the Trail.

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Vice Mayor Wilson commented he thought it was a percentage of what is currently charged.

Councilmember Waldron asked what that would have generated over the last year with the building permits.

Mayor Serdy commented that is what he would

like to know, also.

Councilmember Struble commented for clarification so that they understand, they have a fee they charge developers, say it is \$100, so one percent would be \$1. They are still going to collect \$100 from the developer but instead of using all of the \$100 to do what we want to do we are going to take \$1 to put it towards art. He asked if that made sense.

City Manager Bryant Powell stated that made sense to him.

Councilmember Struble asked if that is what this is about.

City Manager Bryant Powell stated that is an opportunity cost. It is revenue we will have to use towards art.

Mayor Serdy commented he would also ask that maybe not necessarily art but perhaps landscaping, too, which in his mind is art. It makes a pretty town.

Councilmember Barker commented Larry had been talking about how they are going to figure out their fees on the fee schedule. They were doing it based on the time that was spent and the equipment that was used, et cetera. They were not adding any mark up to that as a dealer or something would. It was all based on that. She does not know if she would be in favor of taking any money out of that because they have already set it up. It costs us x amount of dollars to do this and we are charging them x amount of dollars. Now you want to take a percentage away from that. She does not see that.

Councilmember Evans commented in the last discussion Larry said the last time we looked at our fees and what we were collecting was in 2008. That is why they had the other presentation where they were telling us how they were going to set up the new fee schedule. She is concerned about adding an additional take away when we do not even know if we are at market yet. This could take out more funds from the general fund when we have the potential of putting more in. They need to have a better idea. She asked if there would have to be a category that said art, landscaping or any other visual improvement if they designate it as just for art, because if it was on the permit itself there would have to be

a way to do it. Joel had stated they could not charge an additional fee since our permit money goes into the general fund. A developer does not know what portion of that permit goes to things such as our lights or water in the building. It is not a fee they would necessarily know. She does not even know if our fees are up to date. She gets hung up with when they talked about having an arts commission in the past. They decided they were going to go with SACA, have their fundraising and acquire art that way. Mesa used a business community to create their statues and their improvements along Main Street. If we did something like this for city improvements so that if they had an extra pot to pull from, our streets that do flood, in that case she does not see the necessity of a separate pool of money. We have some serious conditions that exist in our older neighborhoods that we inherited from Pinal County. We are trying very hard to work on those and it would be nice to have new development pay for inferior older development.

Councilmember Barker asked if that is what they are doing.

Councilmember Evans commented that is what those impact fees do, the roads and everything and she agrees with that. But we do not even know if our fees are up to date to be able to split off another piece. She asked if we are alright or are we low. If they were done in 2008, that is only 10 years ago.

City Manager Bryant Powell stated he will have Larry come up and talk about when they are going to go through the fee change.

Development Services Director Larry Kirch stated they are from 2006. They are referencing tables from back there as well. He has not done research as it is not direction to staff yet. The Oro Valley ordinance is set up entirely different. It is based on permit valuation. The permit comes in at \$10 million so the fee is \$100,000. Projects under \$50,000 are exempt, so small private ones are exempt. They look at the ability to pay. If someone can build a small medical office building that costs \$2 million, they would pay \$20,000 in our fee. They can pay in lieu of by providing art on site. There are all sorts of things including the base, pedestal and the art itself as being put towards the \$20,000. Or they can just give the city a check and have the committee or the process figure out where they want the public art. In the next month he suggested they read

the Oro Valley ordinance. They do not siphon off a portion of the permit fee. They take the valuation of the building, a 2015 or 2016 fee, take one percent of that and then that money goes into a pot.

Councilmember Evans asked if it is just commercial.

Development Services Director Larry Kirch stated it is commercial only, no residential. It could be a half of a percent or do not do it at all. It may be instructive to read the ordinance as to how they are doing it. It is pretty straightforward. The first couple of pages list what is exempt, what it can apply to and how you can pay a fee in lieu of. Essentially you take the value of the project and take one percent of that, but they also have exemptions.

Councilmember Evans commented over and above anything else they pay.

Development Services Director Larry Kirch stated that is correct. It also applies to building expansions such as phase 2. It applies to phase 2 at 25%. If they have a 100,000 sq.ft. building and they add on another 25,000 sq.ft. it applies. If they add 20,000 sq.ft. it does not apply. It is when they hit 25% expansion that it applies.

Councilmember Evans commented that the developers know that it is specific for that.

Development Services Director Larry Kirch stated it is in the ordinance. It is all calculated out and they can pay in lieu of, it does not apply to residential and there are exemptions for things like repaving a parking lot. It does not nickel and dime you. It is for hard construction and new buildings.

Councilmember Struble commented but they are assessing an additional fee.

Development Services Director Larry Kirch stated it is an additional fee based on the value of the project. The Oro Valley community chose to do that.

City Attorney Joel Stern stated they have not been directed to staff yet. If they amend or increase any fees, he does not know how the attorney general would look at that, but it sounds like an increase. Maybe it is not. There is a statute that requires a 60-day notice before you actually

have a hearing. It has to be on the internet. Once they amend the ordinance they would have to follow that statute.

Mayor Serdy thanked Larry for looking into that because he did not have direction to staff. He must have done that in his spare time. We do not know what would accumulate because we have not done direction to staff. It almost seems like we are ahead of our time on this. We are not one of the wealthier cities in the valley like a Paradise Valley. When they get a project, they get massive resorts or whatever. It would be so easy to do that and it ends up helping the resort anyway. It makes it some place you would want to go.

Councilmember Struble commented what they heard last night when staff talked to them about one of the voluminous reports they got from Arizona State University was the students talking about additional ways or revamping to generate revenue for the city. He could not remember the exact wording and which one of the five things they were talking about. That might be something they could throw out there to the students. He thinks they are going to be starting a new program next fall and it might be something they might want to throw at them, to come up with some revenue-generating process for something like this.

Mayor Serdy commented they could then have them check on all the other cities and see what they are doing.

Councilmember Barker commented they can check all the other cities. She loves that.

Councilmember Struble commented he is not sure if that is direction to staff but it is something to look at.

Councilmember Barker commented it is not a direction to staff.

Mayor Serdy commented it would be direction to the students. It is a very intriguing idea but he is not sure the city is ready and we do not want to jeopardize any positive growth.

Councilmember Evans commented that is correct. We want more commercial development. We would not want to do anything that would inhibit that. We have people

that come in here with businesses that do not bother to pay any of the fees that are already required let alone to have a potential project come in that would be between us and the Maricopa County island who does not have that fee but they can buy the land for the same amount of money and build the same project west of Meridian. She would hate to see something like that shoot us out of the ballpark.

City Manager Bryant Powell stated another thing he might add on this subject as we think about art, being a goal for all of us, is one area that might be of benefit. At the League of Cities and Towns Conference he will be asking other city managers there and at other places to see how these other cities do it. They talk to a lot of different people. The vice mayor did take a tour or learned a little about Oro Valley. He does not know of very many cities that are doing that. There are other ways that cities have counselled and worked together with the community to get dollars either through volunteers or other means. He encouraged all of them to research it that way.

Mayor Serdy commented in a situation like this they can just make no motion at all and just move on if he does not hear a motion in the next few seconds.

City Attorney Joel Stern stated if no motion is made it does not go anywhere.

Mayor Serdy commented among themselves they still have the authority to talk to the students and whomever. It could come back when we gain more knowledge. He thinks it was a good thing they did discuss it and it gave us more options to know what is out there in the country and the state. He is not seeing a motion so he closed the item with no further discussion and moved on to the next item.

15. [18-173](#) Council direction to staff on establishing term limits for city council member positions as discussed at the April 2, 2018 council work session.

He heard none and moved on to call for a motion on direction to staff for term limits for council members. He heard none there either.

16. [18-174](#) Council direction to staff on changing the length of term for the mayor position to 4 years from 2 years as discussed at the April 2, 2018 council work session.

Yes: 3 - Mayor Serdy, Vice Mayor Wilson and Councilmember Struble

No: 3 - Councilmember Barker, Councilmember Evans and Councilmember Waldron

He called for a motion on direction to staff on changing the

length of term for the mayor position to 4 years from 2 years.

Vice Mayor Wilson SO MADE THAT MOTION, TO MOVE FOR THE FOLLOWING DIRECTION BE GIVEN TO STAFF REGARDING CHANGING THE LENGTH OF TERM FOR MAYOR POSITION FROM 2 YEARS TO 4 YEARS.

Mayor Serdy SECONDED THE MOTION.

VOTE: 3-3 (Councilmember Evans, Councilmember Waldron and Councilmember Barker voted in opposition.

(During the vote Councilmember Struble asked if this is just direction to staff to look into the issue.

Mayor Serdy commented it is.

Councilmember Struble commented it does not hurt to look into it.

Mayor Serdy commented it would be several years out if it came to it.

City Clerk Kathleen Connelly stated she was not sure that would be the case.)

(During the vote Councilmember Evans commented she thinks they have so many important issues to deal with that we have assigned to staff already that she does not think this should be a priority.)
There was a tie vote and the motion failed.

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

17. [18-194](#) Selection of date, time and location for budget work session, public hearing and adoption of tentative and final budget for Fiscal Year 2018-2019.

Yes: 6 - Mayor Serdy, Vice Mayor Wilson, Councilmember Barker, Councilmember Evans, Councilmember Struble and Councilmember Waldron

No: 0

City Manager Bryant Powell briefed the council on the item.

Councilmember Waldron asked when they had scheduled the meetings for the water board.

Councilmember Barker commented they are for the next night.

Mayor Serdy commented they are already making plans to discuss those.

City Manager Bryant Powell stated that is correct.

Mayor Serdy closed the discussion and called for a motion.

Councilmember Waldron MOVED THAT A BUDGET WORK SESSION BE HELD AT 7:00 P.M. ON APRIL 30, 2018 IN THE CITY COUNCIL CHAMBERS; AND

THAT A PUBLIC HEARING AND ADOPTION OF THE TENTATIVE BUDGET BE HELD AT 7:00 P.M. ON MAY 14, 2018 IN THE CITY COUNCIL CHAMBERS; AND

THAT A PUBLIC HEARING AND ADOPTION OF THE FINAL BUDGET BE HELD AT 7:00 P.M. ON JUNE 18, 2018 IN THE CITY COUNCIL CHAMBERS.

Councilmember Evans SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

18. [18-166](#) Executive Session at 6:00 P.M. and Work Session at 7:00 P.M. for Monday, April 30, 2018.

Yes: 6 - Mayor Serdy, Vice Mayor Wilson, Councilmember Barker, Councilmember Evans, Councilmember Struble and Councilmember Waldron

No: 0

Mayor Serdy called for a motion on the next regular meeting.

Councilmember Waldron MOVED THAT AN EXECUTIVE SESSION AT 6:00 P.M. AND A WORK SESSION AT 7:00 P.M. BE HELD ON MONDAY, APRIL 30, 2018, IN THE CITY COUNCIL CONFERENCE ROOM AND CITY COUNCIL CHAMBERS RESPECTIVELY; AND

THAT AN EXECUTIVE SESSION AT 6:00 P.M. BE HELD ON TUESDAY, MAY 1, 2018, IN THE CITY COUNCIL CONFERENCE ROOM.

Councilmember Evans SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

19. [18-167](#) Executive Session at 6:00 P.M. and Work Session at 7:00 P.M. for Tuesday, May 1, 2018. Other meetings if necessary.

M. CALL TO PUBLIC

Ms. Kerri Mortenson, 21503 E. Escalante Road, Queen Creek, addressed the council regarding the RedforEd grass roots movement to restore funding to the schools.

Mr. George Schroeder, 2444 W. Virginia, Apache Junction, addressed the council regarding trust land money, drug dispensaries in the city, court orders on drug addicts living quarters and future homes in Superstition Vistas and BLM Land.

N. ADJOURNMENT

Mayor Serdy adjourned the meeting at 8:43 p.m.