

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE WORK STUDY SESSION OF THE
FOUNTAIN HILLS TOWN COUNCIL
NOVEMBER 9, 2016**

*** CALL TO ORDER AND ROLL CALL**

Mayor Kavanagh called the Work Study Session to order at 5:30 p.m., which was held in the Fountain Hills Town Council Chambers.

Present for roll call were the following members of the Town Council: Mayor Linda Kavanagh, Vice Mayor Nick DePorter, Councilmember Cecil Yates, and Councilmember Henry Leger. Town Manager Grady E. Miller, Town Attorney Andrew McGuire, Public Works Director Paul Mood, P.E. and Town Clerk Bevelyn Bender were also present.

Councilmembers Cassie Hansen and Dennis Brown were absent.

Councilmember Alan Magazine arrived at 5:32 p.m.

AGENDA ITEM #1 – DISCUSSION REGARDING THE PAVEMENT MANAGEMENT PROGRAM.

Town Manager Miller addressed the Council relative to this agenda item and stated that the Public Works Director Paul Mood would outline and discuss the Town's Pavement Management Program, which included a PowerPoint presentation (available on line and in the office of the Town Clerk) covering the current pavement management program, current funding levels, pavement management components and proposed funding levels required. Town Manager Miller expressed that he and Mr. Mood had discussed the current pavement management program and how much money was being spent along with the use of pavement zone designations. Town Manager Miller expressed that it became obvious that the Town would never get caught up to cover the financial commitment the Town had made for this program and he asked Mr. Mood to discuss the next big bond program possible in 2020. Town Manager Miller expressed that it was difficult to find the resources for all the road maintenance work needed, which now created a vicious cycle of never being caught up. Town Manager Miller turned the meeting over to Mr. Mood who presented the information and offered his recommendations for Council's consideration.

Mr. Mood explained the key factor of extending the life of pavement was to keep the road binder fresh and prevent oxidation, which resulted in cracking to develop within the first two to four years, if not addressed. He stated that the oxidation was caused by UV rays and moisture. Mr. Mood listed the preventive measures that could be taken if the roads were in good condition and before a needed mill and overlay application. Mr. Mood advised that crack seal, chip seal, slurry seal and micro-surfacing could be used if funding were in place to apply the right treatment at the right time. Mr. Mood mentioned that a new product had been used on various local and valley roads call "High Density Mineral Bond" used between a surface seal and a slurry seal.

Councilmember Yates asked if the product was called HA5 material and Mr. Mood answered yes.

Mr. Mood explained the crack seal application and added this process extended the life of the road three to four years. He commented that fog seal and surface seal was a tire modified surface seal and liquid asphalt that helped protect a newly applied asphalt surface from oxidizing and extended the road four to five years.

Councilmember Magazine asked if the fog seal was used after a mill and overlay and Mr. Mood answered yes, it was applied soon after the asphalt application. Mr. Mood said that chip seal was the most effective treatment due to the rougher surface and was also the most cost effective process that extended the life of a road; he noted that it is used in Rio Verde along with a mill and overlay process, but this process also had the most push back from Fountain Hills' residents.

Mr. Mood pointed out areas in Town where cracks in roads had been previously addressed but now were eroding in places, especially in the area of the middle school. He stated that funding for the Pavement Management Program under Resolution 2013-02 and last year's Ordinance 15-10 funded \$1.9M for the program. Mr. Mood pointed out that

historically the Pavement Management was addressed within seven zones and not by the road needs approach, which caused a longer amount of time to address the whole Town's roads.

Mr. Mood noted that unless the approach was changed the roads would not be given the necessary maintenance to extend their life. He explained the next steps necessary as discussed with Town Manager Miller noting that this was after he had driven every public road in Town and had visually rated what action was needed to preserve the roads along with his cost estimate for all mill and overlays. He had concluded the immediate cost to be \$15M, and if the roads were in perfect condition, the Town would need approximately \$3M per year for treatments.

Councilmember Magazine asked what the \$3M would be used for and Mr. Mood answered that he had calculated the square yardage of the roads in Town and the cost estimate of surface maintenance over the years allowing additional funding for some years as some years would require more funding than others.

Town Manager Miller explained that the Town currently had \$1.9M with additional funds that may become available and he noted there was a gap in funding and expressed that staff was requesting that the Council give direction on future funding for pavement management.

Mr. Mood suggested with the support of the Town Manager Miller they had met with an asset and infrastructure management firm known to have worked for local areas and around the country and the firm had suggested using a van with an RTS road tester consisting of a laser that drove over the roads and rated them on their condition, they would build a map using a management software, achieve different analyzes on funding and other pertinent information. Town Manager Miller expressed his excitement with this approach for providing good data to Council to help in their decision making and the required funding necessary to maintain the Town's roads. Councilmember Yates asked what would be the cost for the RTS testing and Mr. Mood answered initially \$60K for their work and mapping. He explained that the Town would be provided a web viewer to access the software, which was too expensive to purchase with the Town's limited budget. He added that the cost annually would be \$6K for the firm to use their software and updating test results from the information the Town gave them on the roads maintained.

Councilmember Yates asked if after four to five years would there be another \$60K charged and Mr. Mood answered not the full \$60K since the initial charge included the map creation and set-up. Town Manager Miller added that subsequent years would be far less charging \$6K annually and in four to five years the cost of the retesting of the roads was at approximately \$20K. He felt this would be a more cost effective method and receive better results. Councilmember Yates asked what the 2009 Stantec report had cost the Town.

Councilmember Leger responded that it had been under \$20K for a basic map with no consultation but at that time the Town had a clear view of what was needed, but the plan was not implemented due to lack of funding; he questioned how this plan would be any different. Councilmember Leger pointed out that Mr. Mood had mentioned he had traveled all the roads lacking the measurement tools as suggested and he questioned if Mr. Mood and his staff couldn't provide a good estimate of the Town's road conditions, a maintenance schedule time-line along with a cost estimate. Councilmember Leger acknowledged that the information would not be as accurate as the RTS results.

Mr. Mood stated that he had prepared a spread sheet listing maintenance by zones and what treatments were necessary; he explained that he did not want to place new asphalt on roads without being able to treat the asphalt to extend its life as needed. Mr. Mood stated that based on that exercise the funding was short approximately \$17M. Councilmember Leger stated it appeared that he had come to the same conclusion that it would take a \$30M bond to cover costs, which had been sticker shock for many.

Mr. Mood stated that if the Town continued to use the zone maintenance schedule, it would be difficult to keep up with maintenance of other roads and the newly treated ones. Councilmember Leger asked what would happen if the Town changed from "zone based" to "need based". Mr. Mood answered that with the RTS testing used as a tool that would help the Council make their decisions. Councilmember Leger suggested that Council move in that direction with staff's expertise rather than the measuring software. Mr. Mood expressed it was hard to prioritize and explain to citizens why the Town choose the roads receiving maintenance over others. Councilmember Leger stated he appreciated Mr. Mood's recommendation. Mr. Mood expressed it was almost too large of a problem without a model and Councilmember Leger stated he understood it was overwhelming.

Mayor Kavanagh asked if the RTS testing allowed for a more accurate measurement of the conditions under the road and its structure. Mr. Mood explained somewhat, but not all, and for an additional cost the firm could use a pulse unit to measure and detect what the sub-grade measured.

Mayor Kavanagh asked how Paradise Valley addressed a partial road section issue. Mr. Mood answered that he was unable to make contact with the Paradise Valley Director, but from his own experience if several different portions of a road needed maintenance, then the entire road would be addressed within the same cycle for the ease of the contractor and ultimately that would be cheaper. Mayor Kavanagh asked about a road similar to Fountain Hills Boulevard and Mr. Mood answered it would be assessed to determine the necessary maintenance.

Councilmember Magazine asked what the \$15M would be used for and Mr. Mood answered that it was his estimate on funding necessary at this time to the mill and overlay Town roads. Councilmember Magazine pointed out that more areas could be found that would raise the cost and Mr. Mood agreed. Councilmember Magazine asked if the Town addressed roads by need instead of zone, how much funding per year would be required and Mr. Mood noted that the proposed tested model would show any unavoidable scenarios on conditions of roads and their cost estimates.

Town Manager Miller stated staff needed to know what level the Council wanted staff to use for road standards and whether it was to be “zone based” or “need based”. He indicated that if the “need basis” were used, it would provide more flexibility for staff to address the urgent needs as they occurred, but it didn’t address the cost of fixing road failures as funding would still need to be shuffled around to try and deal with costs to fix road failures and that would take money away from other programmed projects. He indicated that staff was trying to determine a baseline cost and he proposed that staff would return to Council after the study was completed for further discussion on funding needs and a decision as to what the level of service for roads would be and regarding what a suitable amount for the 2020 bond package would be. He expressed the opinion that the study would help figure out what funds could then be freed up from the departmental budget for maintenance work.

Councilmember Magazine pointed out that if the Town currently had \$3M budgeted and the model showed the Town needed \$6M, he questioned if the Council would be able to float a bond package to address road conditions in particular areas and justify why road repairs were needed there above others. Town Manager Miller believed the difference between the first road bond failing and the second road bond passing was due to Saguaro Boulevard being used more. Town Manager Miller advised that Fountain Hills Boulevard and Palisades Boulevard would be placed in the next bond package along with collector roads.

Mayor Kavanagh agreed that the scientific analysis would be in addition to staff’s opinion on road conditions and she questioned if the model would determine the best repair for a road. Mr. Mood answered that it would along with generating costs based on the condition level of each road as updated on an annual basis.

Vice Mayor DePorter commented that Council needed to make an effective argument to the public and if they believed they could not achieve that without this analysis, then he supported doing the study. He also stated support for changing from a “zone based” to a “need based” policy as he did not want to be limited. The Vice Mayor said he concurred with Councilmember Leger’s comment that Mr. Mood was the Town’s expert and that should be enough but it sounded like this was the tool would take the Town to the next step; he stated he like the graphs and noted those were things could not be done in-house. Mr. Mood reiterated that his recommendation was to conduct a model study analysis.

Councilmember Yates agreed but shared his concern regarding the lack of funding available each year, possible changes and increased cost for police and fire services; he proposed that another work study be held to discuss a comprehensive financial shortfall package.

Town Manager Miller expressed he wanted to develop a baseline of the costs to address the shortfall along with solutions for the public to understand. Town Manager Miller mentioned the \$1M needed each year appropriated to the Capital Reserve Fund and Public Safety costs if the Town decided to staff the Fire Stations and MCSO the overall picture financially.

Councilmember Yates asked for confirmation that the suggestion was that the Town spends \$60K for a model of road conditions that would include recommendations on costs along with bond support, which would then have an annual

cost for updates on road conditions at \$6K. Mr. Mood responded that the quote for the model was \$67K the first year and that did not include the sub-grade testing. Councilmember Magazine asked how much the sub-grade testing would cost and Town Manager Miller answered around \$20K. Town Manager Miller pointed out that the information would then be available for Council's consideration.

Councilmember Leger said he was all for collecting data and asked Mr. Mood for his recommendation. Mr. Mood noted he would like to proceed with the analysis study since staff was not able to address such a large project without the needed model direction. Councilmember Leger expressed that the data could give the Council leverage with the public for a bond, but he questioned if the data would be obsolete in 2020. Mr. Mood pointed out that the model data would be updated annually. Councilmember Leger asked if the Town proceeded with the model how would the model help if the Town could not apply the recommendations financially. Mr. Mood answered that the model could be adjusted for 2020. Mayor Kavanagh added that with the proposed analysis model staff could precede to work until 2020 and Mr. Mood agreed.

Vice Mayor DePorter left the meeting at 6:21 PM.

Mayor Kavanagh noted that the model could provide a baseline cost, identify the conditions of the roads and all maintenance needed and would provide annual updates that Council could use to decide priorities. Mr. Mood mentioned that the analysis firm could also assist with the bond package. Town Manager Miller added this model would also help with rating the streets and service levels. Mayor Kavanagh believed the model could answer a lot of questions and provide valuable information to the public that was not answered on the first bond that did not pass.

Mr. Mood pointed out that the mill and overlay was the only treatment allowed to be bonded for since the other treatments were considered maintenance. Councilmember Yates commented that the proposed funding of \$3M could be used for maintenance; Mr. Mood concurred that the funds would be used for future road treatments.

Councilmember Magazine stated his reluctance to spend \$80K with the possibility of not being able to implement the results, but expressed that he did not know what else to do, so he stated he would support the study and hoped to find a solution for funding. Mr. Mood noted that the Town had spent \$80K on work previously on Bainbridge Drive alone.

Councilmember Leger mentioned that the Vision Fountain Hills was working on the Town's infrastructure needs and wondered if they had a time-line for reporting their findings. Town Manager Miller believed the group would report their recommendations in December. Councilmember Leger stated that SPAC recommendations were bifurcated from Vision Fountain Hills. Town Manager Miller confirmed there was a visionary process with five vision priorities identified.

Councilmember Leger said he understood that there was a side group working on this and that perhaps SPAC Chairman Dana Saar could provide an update. Chair Saar was in attendance and came forward to inform the Council that two recommendations would be presented to Council as supported in the Strategic Plan by the citizens and the Vision Fountain Hills would present additional information to identify what was needed to be done to receive citizen support. Councilmember Leger expressed that he would like to see both group's recommendations before proceeding containing revenue solutions and other valuable ideas to possible funding. Mr. Saar stated he understood that expenditures such as roads were underfunded and noted that for the Town to maintain property values the roads, safety, schools and parks were important and felt the community was in agreement and would support the necessary steps needed.

Mayor Kavanagh thanked staff for their presentation.

AGENDA ITEM #2 - ADJOURNMENT

Councilmember Leger **MOVED** to adjourn the meeting and Councilmember Magazine **SECONDED** the motion, which **CARRIED UNANIMOUSLY (4-0)**, by those present. The meeting adjourned at 6:31 p.m.

TOWN OF FOUNTAIN HILLS

By _____
Linda M. Kavanagh, Mayor

ATTEST AND
PREPARED BY:

Bevelyn J. Bender, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Study Session held by the Town Council of Fountain Hills in the Town Hall Council Chambers on the 9th day of November, 2016. I further certify that the meeting was duly called and that a quorum was present.

DATED this 1st day of December, 2016.

Bevelyn J. Bender, Town Clerk