

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, DECEMBER 15, 2014, AT 6:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Rankin called the meeting to order at 6:05 pm.

ROLL CALL:

Present: Rankin, Woolridge, Hawkins, Montañó, Guilin, Anderson
Absent: Walter

INVOCATION

No invocation was conducted

PLEDGE OF ALLEGIANCE

Mayor Rankin led the Pledge of Allegiance.

CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

Mr. Donald Woolridge, Florence Resident, stated that he has received concerns from Florence citizens regarding the morality of the Town Council. He stated that the concerns are with the integrity and principles that are guiding members of Council in their day-to-day business decision for the Town. He stated that he hopes that Council will continue to be non-biased in their decision making and keep the best interest of the Town in the forefront of all business actions and when representing the great town of Florence.

Ms. Ruth Harrison, Florence Resident, stated that she would like to see the contract with the prisons to have inmates clean Main Street changed. She stated that she believes the presence of inmates throughout the mornings makes shop owners, citizens and visitors to Florence uncomfortable. She recommended that the inmate workers be used to clean up the medians along the highways or at a minimum limit the inmate's work times to be when the businesses on Main Street are not open.

PRESENTATIONS

Presentation by Greater Florence Chamber of Commerce recognizing Crown Point Property Services as the Business of the Month.

Mr. Jim Gilloon, Office Manager, Greater Florence Chamber of Commerce, recognized Crown Property Services as the business of the month for December, 2014. He stated that Crown Property Services is being recognized for their community service, donating time, and sponsoring events throughout the Town. He stated that Crown Property Services consistently goes above and beyond participating with the Parks and Recreation Department, sponsoring the Nevada Home and Garden Show and adopting a store front with Main Street Lights.

Ms. Shawn Gibson, Owner, Crown Property Services, stated that she is appreciative of this recognition. She stated that she has worked hard to bring jobs to the area and to provide a high-quality service. She said it has been a pleasure serving on various Town Boards and interacting with the members of Florence.

Presentation and Discussion/Approval/Disapproval of the annual audit by the Town's independent auditors, Henry and Horne.

Mr. Michael Farina, Finance Director, stated that the Town is required to prepare a year-end financial report and have that report audited by the Town's independent auditor. He stated that the report presents the result for Fiscal Year ending June 30, 2014, and shows that the Town is in excellent financial health.

Ms. Marilyn Mays, Henry and Horne, LLP, stated that the firm performed the audit for the Fiscal Year ending June 30, 2014. She stated that Town staff is responsible for the preparation and fair presentation of the financial statements and it is their job to provide an opinion on those statements. She stated that the Town received a clean unqualified, unmodified opinion, which means it is a clean opinion. She stated that the Town received over \$500,000 in Federal funding which required a separate single audit that also received a clean unqualified, unmodified opinion.

Mayor Rankin inquired if the Henry and Horne, LLP team is satisfied with the Town's financial processes.

Ms. Mays stated that they did not find any significant deficiencies or material weaknesses.

On motion of Councilmember Montañó, seconded by Councilmember Anderson, and carried to approve the 2014 Fiscal Year annual audit.

Presentation of the Quarterly Financial Report as of June 30, 2014 (Year-End) and the Quarterly Financial Report as of September 30, 2014.

Mr. Farina presented the 2014 Fourth Quarter Financial Report. He stated that as of year-end, the Town revenues met or exceeded budget expectations and were ahead of the prior year. The Town's expenditures finished within the budget established for the

2013-2014 Fiscal Year. He stated that the General Fund revenues, excluding transfers, exceeded budget expectations by 6% or \$676,000, and expenditures were within budget, resulting in a savings of \$902,000.

Mr. Farina stated the following:

- Sales tax collected from private construction projects, governmental construction projects, food sales and all other sales taxes, ended 11% or \$388,543 ahead of budget expectation.
- State-shared income tax met budget expectations and ended 9% ahead of the prior year.
- Vehicle license tax exceeded budget expectations ending the year 6% or \$69,357 ahead of budget
- Highway User Revenue ended 1% or \$9,164 below budget expectations but did end 3% or \$44,571 ahead of the prior year.
- General Fund budget, excluding transfers, was \$12,592,706 and at year end, 93% or \$11,690,707
 - Resulted in a budget savings of \$901,999.

Mr. Farina stated that the Highway User Revenue Fund is primarily supported by State-Shared Highway User Revenue and Transportation Excise Tax from Pinal County that must be used on street and highway expenditures. He stated that following:

- Fund revenue excluding transfers, exceeded budget expectations by 5% or \$121,185 and expenditures were within budget.
- 27% of the budget was expended because capital outlay is the largest component of the expenditures and is only 4% expended.
- Capital outlay in the amount of \$2,290,700 was carried forward to Fiscal Year 2014-2015.

Mr. Farina stated that the Capital Improvement Fund accounts for the Town capital projects includes building and building improvements, park improvements, land acquisitions and equipment. He stated that the annual budget-projected Capital Project Fund revenue was \$1,180,000 of which \$1,456,333 was expended resulting in a 23% or \$276,333 increase over projections. He stated that the following funds performed as follows:

- Water Utility: Fee revenue was at 98% of budget expectations and expenditures were within budget. Of the \$4.8 million capital budget, 6% was expended with many project budgets carried forward to the next fiscal year.
- Wastewater Utility: Fee revenue exceeded budget expectations by 2% and expenditures were within budget. Of the \$2.3 million capital budget, 3% was expended with many project budgets carried forward to the next fiscal year.
- Sanitation: Fee revenue exceeded budget expectation by 1% and expenditures were within budget.

Councilmember Montañó inquired about the improvement project on Hunt Highway starting at the curve heading towards the Safeway shopping center.

Mr. John Mitchell, Interim Public Works Director, stated that the project is a priority for the department to complete. He stated that he was of the understanding that the Town had an opportunity to partner with the County when the County was completing improvements along the sweep of the curve and not sure why the project was not completed at that time. He stated that he is working with the Street Department to complete the project.

Councilmember Montañó inquired as to the status of the temporary signage that is in place on the drainage canal on the east side of Attaway Road right before the intersection with Hunt Highway.

Mr. Mitchell stated that staff has a consultant currently looking at this project along with the signal lights for Fire Station 2 and the asphalt repairs on Hunt Highway. He stated that he will be bringing a request to Council at the January 5, 2015 meeting to enter into a Professional Service Agreement with the consultant and that these projects are high on the list for completion in the near future.

Councilmember Anderson inquired what the interest and fiscal charges of \$807,405 were referring to in the audit on page 26.

Mr. Farina stated that it referred to the interest on the debt services and the CFDs.

Mayor Rankin inquired as to the status of the Willow Street and Central Street sidewalk/curb and gutter project.

Mr. Charles Montoya, Town Manager, stated that the project has been awarded and that he has signed the contract.

Mr. Mitchell stated that a pre-construction meeting is scheduled this week.

Mayor Rankin stated that both the streets are experiencing excessive vehicle speeds and are in need of speed humps.

Mr. Farina reviewed the unaudited First Quarter Financial Report stating that sales tax is 9% lower than budget expectations due to lower revenue from private construction and several vendors who have not paid sales taxes for several months. He went on to review the following revenue accounts:

- State-shared tax is 2% below budget expectation and is 4% ahead of the prior year.
- State-shared income tax equals budget expectation and is 9% ahead of the prior year.
- Vehicle license tax is 1% ahead of budget expectation and is 6% ahead of the prior year.
- Highway user revenue is 4% ahead of budget expectation and is 10% ahead of the prior year.

- Transportation excise tax is 8% lower than budget expectations and 2% less than the prior year.

Mr. Farina stated that the total Town revenues are slightly lower than expectations and the expenditures are within budget. He stated that the fund balances are healthy and normal and went on to review the following expenditure accounts:

- General Fund excluding transfers, revenue is 3% greater than budget expectation and expenditures are within budget with 20% of the budget expended.
- Capital Improvement Fund revenue from private construction sale tax is 17% lower than expected and expenditures are within budget.
- HURF revenue is 4% ahead of budget expectations and expenditures are within budget.
- Water Utility has collected 16% of the budgeted revenue and expenditures are within budget.
- Wastewater Utility has collected 16% of the budgeted revenue and expenditures are within budget.
- Sanitation has collected 23% of the budgeted revenue and expenditures are within budget.

Councilmember Anderson inquired as to the formula that is used to calculate monthly budget figures.

Mr. Farina stated that he does a three year monthly trend analysis then extracts the information into the current year and then compares those figures with actual figures.

Councilmember Anderson commended Mr. Farina for his concise budgeting.

ADJOURN TO A SPECIAL MEETING OF THE FLORENCE TOWN COUNCIL

On motion of Councilmember Woolridge, seconded by Councilmember Hawkins, and carried to adjourn to a Special Meeting of the Florence Town Council.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1486-14 by title only.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, PROPOSING A ONE-TIME SPECIFIC AMOUNT IN EXCESS OF THE STATE-IMPOSED EXPENDITURE LIMITATION AND SETTING A SPECIAL ELECTION FOR MAY 19, 2015 (First public hearing and reading of Resolution No. 1486-14 held on December 1, 2014).

Mayor Rankin opened the public hearing. There were no public comments. Mayor Rankin closed the public hearing.

On motion of Councilmember Guilin, seconded by Councilmember Woolridge to adopt Resolution No. 1486-14.

Roll Call:

Councilmember Guilin: Yes
Councilmember Woolridge: Yes
Councilmember Anderson: Yes
Councilmember Montañó: Yes
Councilmember Hawkins: Yes
Mayor Rankin: Yes

Motion passed: Yes: 6; No: 0

ADJOURN FROM A SPECIAL MEETING OF THE FLORENCE TOWN COUNCIL.

On motion of Councilmember Woolridge, seconded by Councilmember Montañó, and carried to adjourn from a Special Meeting of the Florence Town Council.

CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

***Approval of a utility easement between the Town of Florence and Arizona Public Service Company for the Territory Square Project.**

***Authorization to enter into a Professional Services Agreement with the Greater Florence Chamber of Commerce for calendar year 2015.**

***Approval of signing a contract with Apache Underground and Excavation for the Bailey Street Waterline.**

***Recommendation of Approval to the Arizona Department of Liquor Licenses and Control on Florence Gardens Mobile Home Association's applications for a Special Event Liquor License for social hours on January 8, January 22, February 5, February 19, March 5, March 19, November 12, and December 10, 2015.**

***Approval of the December 1 and December 8, 2014 Town Council minutes.**

On motion of Councilmember Montañó, seconded by Councilmember Hawkins, and carried to approve the Consent Agenda, as written.

NEW BUSINESS

Discussion/Approval/Disapproval of authorizing staff to issue a Request for Proposals (RFP) to the short-listed design-build firms for the proposed Fitness and Recreation Center and establish a maximum project budget of \$6,750,000.

Mr. Brian Hughes, Parks and Recreation Director, stated that on July 31, 2014, Town Council directed staff to obtain cost estimates for construction of a Fitness and Recreation Center that would allow for indoor athletics to include cardio, strength training and other recreation pursuits. He stated on September 15, 2014, Town Council further directed staff to issue a Request for Qualifications to secure a design-build team for a Fitness and Recreation Center. He stated due to State procurement laws related to design-build, a Fitness and Recreation Center project needed to be procured separately from the Library/Aquatics Complex project.

Mr. Hughes stated that on October 23, 2014, the Town Clerk's office received 12 Statements of Qualifications for the project. He stated that the Selection Committee reviewed and scored the submissions and short-listed five qualified design-build teams. He stated that the Fitness and Recreation Center is estimated at a cost not to exceed \$6,750,000 with an annual operation expense estimated at \$419,150. He stated that the pending expenditure limitations would have a direct effect on funding construction and operational costs and that staff recommends suspending the project indefinitely due to budgetary constraints.

On motion of Councilmember Anderson, seconded by Guilin and carried to suspend the Fitness and Recreation Center project indefinitely.

Announcement of the Mayor's appointments to the following liaison positions:

Arts & Culture Commission

Councilmember Hawkins

Anthem Area

Vice-Mayor Walter

Budget Committee

Councilmember Guilin and Councilmember Anderson

Central Arizona Association of Governments

Mayor Rankin and Vice-Mayor Walter

Emergency Operations Center

Councilmember Montaña

Greater Florence Chamber of Commerce

Mayor Rankin and Vice-Mayor Walter

Industrial Development Authority of the Town of Florence, Inc.

Councilmember Anderson

Florence Unified School District

Councilmember Montaña

Four Parks Area (Florence Gardens/Caliente/Casitas)
Mayor Rankin and Vice-Mayor Walter

Historic District Advisory Commission
Councilmember Guilin

League of Cities and Towns Resolution Committee
Mayor Rankin and Councilmember Woolridge

Joint Use Library Advisory Board
Councilmember Woolridge

Parks and Recreation Advisory Board
Vice-Mayor Walter

Pinal County Government Alliance
Mayor Rankin and Vice-Mayor Walter

Pinal Partnership
Mayor Rankin and Vice-Mayor Walter

Planning and Zoning Commission
Councilmember Hawkins

Public Safety Retirement (Police and Fire)
Councilmember Guilin

Maricopa Association of Governments
Mayor Rankin and Vice-Mayor Walter

Native American Community Tribes (Tohono O'odham Village and Gila River Indian Community)
Councilmember Woolridge

Mayor Rankin read into record the liaison appointments.

MANAGER'S REPORT

Mr. Charles Montoya, Town Manager, introduced Mr. Cliff Mattice, Dickinson Wright PLLC, the new Town Attorney.

Mayor Rankin welcomed Mr. Mattice on behalf of the Town Council.

CALL TO THE PUBLIC

Ms. Denise Kollert, Florence Resident, thanked the Parks and Recreation Department for the wonderful Christmas Parade and expressed her appreciation to Allison Feliz and staff for all their hard work to make the event such a great success. She inquired what the Anthem liaison does and why there is not a liaison for other communities in Florence.

CALL TO THE COUNCIL

Councilmember Guilin wished everyone a happy holiday.

Councilmember Anderson expressed his appreciation for the Town for sending him to training with the League of Cities and Towns. He stated that the training was excellent for a new council member and looks forward to using the knowledge.

Councilmember Hawkins wished everyone a happy and safe holiday season.

Councilmember Montañó stated that it is the last week to complete a tax deductible donation to the Florence Unified School District. He also stated that his thoughts and prayers go out to the Tom Celaya Sr. family.

Councilmember Woolridge stated that she too sends her thoughts and prayers to the Celaya family and to those who are sick or bereaved. She stated that she wished Town staff and members of the community a very Merry Christmas and a Happy New Year. She stated that she appreciates all the hard work that staff does for the community.

Mayor Rankin stated that this was the last meeting of the year and it had been a productive year. He stated that it is a season of giving and encouraged those who can to give of themselves to those who have less ensuring that everyone has a good holiday season.

Mayor Rankin stated he would like to see Town Council, staff and members of the community enter into the new year with a goal to be united, with respect for each other, the jobs and position we hold and to continue making the Town of Florence the best place to live. He wished everyone a wonderful holiday season and a very merry happy New Year.

ADJOURNMENT

On motion of Councilmember Montañó, seconded by Councilmember Hawkins, and carried to adjourn the meeting at 7:02 pm.



Tom J. Rankin, Mayor

ATTEST:

Florence Town Council Meeting
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Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on December 15, 2014, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk