

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON WEDNESDAY, JUNE 10, 2015, AT 3:00 PM, 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 3:07 pm.

ROLL CALL:

Present: Rankin, Walter, Woolridge, Hawkins, Guilin, Anderson, Wall.

MOMENT OF SILENCE

Mayor Rankin called for a moment of silence.

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.

There were no public comments

NEW BUSINESS

Resolution No. 1523-15:

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1523-15 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, GRANTING A NON-EXCLUSIVE UTILITY EASEMENT TO ARIZONA PUBLIC SERVICE COMPANY, AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

Mr. Mark Eckhoff, Community Development Director, stated that the three resolutions being presented to Council are formalizing easement agreements necessary for the ongoing development of Territory Square. He stated that the easements are for Arizona

Public Service to supply electrical services, Southwest Gas to supply gas services and for San Carlos Irrigation Project to relocate the irrigation on the property.

On motion of Councilmember Anderson, seconded by Councilmember Woolridge, and carried to adopt Resolution No. 1523-15.

Resolution No. 1524-15:

Ms. Lisa Garcia read Resolution No. 1524-15 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, GRANTING A NON-EXCLUSIVE UTILITY EASEMENT TO SOUTHWEST GAS CORPORATION, AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

Mr. Eckhoff stated that the resolution is the same as the prior agenda item.

On motion of Councilmember Anderson, seconded by Vice-Mayor Walter, and carried to adopt Resolution No. 1524-15.

Resolution No. 1525-15:

Ms. Lisa Garcia read Resolution No. 1525-15 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, ARIZONA, GRANTING AN EASEMENT FOR IRRIGATION IMPROVEMENTS TO THE UNITED STATES OF AMERICA, BUREAU OF INDIAN AFFAIRS, SAN CARLOS IRRIGATION PROJECT (SCIP), AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

Mr. Charles Montoya, Town Manager, thanked Mr. Eckhoff, Mr. Richard Morales, APS, for his assistance in the preparation of the documents and Mayor Rankin for his intervention on behalf of the Town with San Carlos Irrigation Project and San Carlos Irrigation District.

On motion of Councilmember Woolridge, seconded by Vice-Mayor Walter, and carried to adopt Resolution No. 1525-15.

Approval of the Greater Florence Chamber of Commerce application for a Special Event Liquor License for the First Thursday event on July 2, 2015, at McFarland State Park.

Ms. Garcia stated that this is the standard request from the Greater Florence Chamber of Commerce for their First Thursday of the Month event that will occur on July 2, 2015.

On motion of Councilmember Guilin, seconded by Councilmember Hawkins, and carried to submit a recommendation for approval to the Arizona Department of Liquor License and Control on the application submitted by the Greater Florence Chamber of Commerce application for a Special Event Liquor License for the First Thursday event on July 2, 2015 at McFarland State Park.

WORK SESSION ON THE 2015-2016 FISCAL YEAR BUDGET.

Mr. Montoya stated the 2015/2016 draft budget is listed by funds, recurring expenses, one-time expenses, and large and small capital costs. He stated that the recurring General Fund represents staff positions that have been frozen, staff insurance coverage and general operational increases. The capital projects are categorized as one-year or two-year projects and that there are no planned vehicle purchases or replacements. There are a number of positions that were frozen and as the budget is reviewed strategic positions will need to be reviewed to ensure services are not being affected.

Mr. Montoya stated that in April 2013, a three year budget goal was put in place to lower use and dependency on the General Fund in the recurring budgets. The goal was to result a \$0 use goal in the 2015/2016 Fiscal Year. The plan was to use \$865,115 in the 2013/2014 Fiscal Year; however, \$448,614 was not expended. The plan also included utilizing \$469,000 from the General Fund in the current fiscal year; however, it is estimated that \$150,000 will be used. It was also planned to utilize \$1,161,000 in the 2015/2016 Fiscal Year, which is a reduction of approximately \$840,000 from the original draft budget that was presented to the Budget Committee. He stated the goal was to get the anticipated use under \$1,000,000 but due to many circumstances, including an increase in the Town's liability insurance of \$100,000, that goal had not been met. He stated that to obtain the goal, several things need to occur, including:

- No new vehicle replacements or purchases
- Maintain vacant position
- Any merit increases are one-time stipends
- Control overtime in all departments
- Limit operating cost increases to uncontrollable expenses
- Manage additional vacancies as needed, without affecting service levels
- Review of property taxes
- Utilize bonding for roads and utility projects

Mr. Montoya provided a budget presentation, in which he discussed the following:

- Reductions
 - The Town asked the voters to approve \$15,000,000 to maintain existing service levels in the Special Election.
 - The amount under the expenditure limitation is actually estimated at approximately \$11,000,000 or \$4,358,110 less, which due to the required reduction of additional expenditures in all departments.
 - Department heads were asked to reduce their budgets even further and when those figures were returned, the actual figures from the Fiscal Year 2013/2014 were reviewed and line items were reduced even more.

- Voters were told during the Special Election that services would not be cut, but after all that has been done, there will be some slight changes that need to occur.
- Capital Projects
 - There are a number of one-time capital projects that will not require engineering services and will only take one year to complete,
 - The remainder of the projects that will require two years to complete will need to go through the RFP process, engineering review and design work prior to the project being completed.
- SAFER Grant
 - Pays for the fourth man on the engine at Fire Station No. 2, will expire in March 2016.
 - The Town will apply for an extension of the grant which cannot happen until the Federal Fiscal Year which opens October 1, 2015.
 - Award of the grant will be announced in January or February 2016.
 - Draft budget reflects the salary for the fourth man until such time that the grant extension is approved and funding begins.
- State Revenue Reductions
 - Additional State revenue reductions will be experienced, which will include additional reductions in Property Tax Revenues and State Shared Revenues
 - Legislation is looking at population based revenues of cities and towns that have colleges and prisons.
- San Tan Incorporation
 - Continues to be reviewed at the legislative level
 - Originally would have impacted the Town between \$800,000 and \$1,000,000 annually and that number continues to grow.
 - Staff continues to work with the Town lobbyist and attend legislative session regarding the incorporation along with working with the Town's Pinal partners to minimize the financial impact of the incorporation of San Tan.
- Magic Ranch and Arizona Farms Annexation
 - The annexation of Magic Ranch and Arizona Farms is still in the hands of the Courts
 - Council was presented with a cost analysis if the annexation should go through and if the courts deny it.
- Florence Copper
 - Florence Copper issue in previous years was funded through the Capital Improvement Fund but it is now being funded through the General Fund at an annual expense of \$250,000 until the one-time issue is resolved.
- Infrastructure Emergencies
 - Recently experienced a couple of infrastructure emergencies
 - Well that went down in north Florence
 - Several water main breaks that could not be anticipated
 - Utilities budget has contingency money set aside; however, an updated stated needs to be conducted to identify projects that need to be completed
 - Need to review impact fees
 - Need to review Town's infrastructure

- Sales Tax Fees
 - Sales Tax fees are down currently so the Budget Committee took a conservative approach as it is unknown how commercial growth will impact the Town next year.
 - New home construction continues to increase and decrease.
 - Pulte has received approximately 20 new permits each month for the last three months.

Mr. Montoya stated that the Town will need to go through another Special Election in May for the expenditure limitation for the Fiscal Year 2016/2017, and then will have the General Election in the fall.

Mr. Montoya stated that the items for additional consideration in the draft budget are as follows:

- Fire Department
 - \$40,000 in part-time and overtime salaries were inadvertently removed from the budget when the budget was originally reviewed
 - The decrease will hinder the ability of the department to operate correctly.
- Community Development
 - Commercial and building permits have doubled over the last few years inundating the one Building Inspector and requiring the use of outside professional services to keep up with demand.
 - Recommendation is being made that will allow for the hiring of a second Inspector with the salary being covered by the sharing of an administrative staff member between Community Development and the Engineering Department eliminating the need for a second administrator.
 - There will also be an elimination of the need for outside professional services which will also cover the salary of the second Inspector.
 - Development of a five year Financial Plan.
 - Update Capital Improvement Plan
 - Identify projects that need to be done now or in the near future and the anticipated costs of those improvements.
 - Utility rate study
 - Rate increases have been put on hold pending the outcome of a study.

Mr. Michael Farina, Finance Director, explained that the areas highlighted in the budget are the changes to the Fiscal Year 2015/2016 draft budget in comparison to the current fiscal year budget. He provided a brief description of those changes and the dollar amount associated with each of the changes, as follows:

- General Government
 - HB2617 – New costs from the Arizona Department of Revenue for the Transaction Privilege Tax administration, resulting in an increase of \$56,000.
- Town Engineer/Engineering

- Previously approved by Council to create an Engineering Department with costs being allocated between the General Fund, Highway User Revenue Fund (HURF), Water Fund and the Sewer Fund.
- Organizational-wide
 - 3% average merit-based stipend (no salary increase), resulting in an increase of \$339,200.
 - Zero increase in health insurance premiums where an 8% increase was anticipated, resulting in a decrease of \$179,300.
 - With Proposition 407 receiving a favorable vote, there will be no reduction in service levels.
- General Fund
 - The budgetary process started with a 1.5% inflationary increase over the 2004/2015 annual budget on non-personnel line items.
 - General Fund departments were tasked with reducing their budgets by 1% to 6%, resulting in a decrease of \$418,900.
- Administration
 - Administrative Assistant position frozen, resulting in a decrease of \$46,400.
- Courts
 - Outsourcing of the Town Magistrate position, resulting in a decrease of \$23,000.
- Town Attorney
 - Assistant Town Attorney position frozen, resulting in a decrease of \$84,400.
 - Professional services for continued outside legal services for the Florence Copper issue, resulting in an increase of \$250,000.
- Finance/Grants
 - Customer Service Representative will become vacant in July 2015 and depending on workload and service needs, may or may not be filled at a cost of \$39,800 (0.1 FTE).

Councilmember Guilin inquired if the Customer Service Representative position was off-set by sanitation funds.

Mr. Farina stated that 10% is funded by the General Fund with the remaining coming from Sanitation.

Mr. Farina continued to present the following:

- Grants Coordinator position will continue to be frozen, resulting in a decrease of \$70,000.
- Reallocation of the Grants/Assessments Manager position as the duties were clarified and the position is completing more General Fund responsibilities rather than Community Facilities District (CFD) responsibilities, resulting in an increase of \$31,400.
- Community Development

- Building Inspector position has been frozen, resulting in a decrease of \$56,400 with a need for review as service levels will be impacted if position is not filled.
- Police
 - Dispatcher position has been frozen, resulting in a decrease of \$54,500.
 - School Resource/Crime Prevention Officer position has been frozen, resulting in a decrease of \$68,700.
- Fire
 - The elimination of a temporary Captain assignment, resulting in a decrease of \$100,000.
 - The Staffing for Adequate Fire and Emergency Response (SAFER) Grant will expire in the Spring 2016, resulting in three positions being picked up by the General Fund with an increase of \$68,700.
- Information Technology
 - Graphic Design and Digital Media Specialist continues to be frozen, resulting in a decrease of \$55,800.
- Parks and Recreation
 - Park maintenance for new sports fields and grounds, resulting in an increase of \$20,200.
 - Community Center (Library/Recreation) facility costs, resulting in an increase of \$111,200.
 - Operational costs for the Aquatic Center, resulting in an increase of \$275,800.
 - Staffing for the new Community Center, resulting in an increase of \$112,100.
 - Road to County Thunder, resulting in an increase of \$16,000.
- Capital Projects Fund
 - Capital projects fund is projected at \$2,596,600.
- Highway User Revenue Fund
 - One Maintenance Worker position has been frozen, resulting in a decrease of \$110,000. (2.5FTE)
 - Capital projects fund is projected at \$1,144,200.
- Fleet Services Fund
 - Mechanic Assistant position has been frozen, resulting in a decrease of \$41,500.00 (0.5 FTE)
- Facility Services Fund
 - Added a Custodian position due to the new Community Center, resulting in an increase of \$44,600.
- Water Utility Fund
 - System Operator position frozen, resulting in a decrease of \$22,250. (0.5 FTE)
 - Rate study to be performed, resulting in an increase of \$25,000.
 - Capital projects placeholder pending the results of the rate study and CIP, resulting in an increase of \$1,074,200.
- Sewer Utility Fund
 - System Operator position has been frozen, resulting in a decrease of \$22,250.

- Rate study to be performed, resulting in an increase of \$25,000.
- Capital projects placeholder pending the results of the rate study and CIP, resulting in an increase of \$5,000,000.
- Transportation Development Impact Fee Fund
 - Transfer to partially fund (reimburse) HURF for the Diversion Dam Road project in the amount of \$955,000.
- Merrill Ranch Community Facilities District 1 (MRCFD 1)
 - Placeholder for the issuance of General Obligation Bonds in the amount of \$1,500,000.
 - Issuance of Special Assessment Lien Bonds for Units 50 and 53 in the amount of \$1,011,500.
- Merrill Ranch Community Facilities District 2 (MRCFD2)
 - Placeholder for the issuance of General Obligation Bonds in the amount of \$1,225,000.
 - Issuance of Special Assessment (SA) Lien Bonds for Unit 36 in the amount of \$241,500.

Mr. Farina stated that the Town needs to develop a Capital Improvement Plan and a Long Range Financial Plan providing scenarios of different growth plans allowing the Town to maintain a healthy fund balance as it grows.

Mr. Farina stated that he had not included any carryover costs for current Capital Improvement Projects as he is waiting until the last minute to be able to provide the most accurate update as possible. He stated that he does not believe any carryover costs will impact the expenditure limitations for the upcoming fiscal year.

Mayor Rankin asked that the Councilmembers on the Budget Committee provide their input on the highlights that Mr. Farina presented.

Councilmember Guilin stated that the Committee worked very hard on the budget that was being presented. She stated that Council and staff need to monitor expenditures closely on a regular basis to ensure they do not exceed the revenues as the Town lost revenues this year and expenses were not reduced to compensate for the loss.

Councilmember Anderson stated that in the current fiscal year, expenditures exceeded revenue by \$1,161,000, resulting in a budget that is not balanced and a plan has not been developed as of yet that addresses the overspending.

Mayor Rankin thanked Councilmember Guilin and Councilmember Anderson for their work with the Budget Committee. With regard to the \$1,161,000, he inquired how much of it will be reoccurring costs and non-recurring costs.

Mr. Farina stated that \$250,000 is for the Florence Copper issue, which is a non-reoccurring expenditure. Once the issue is resolved, the Town will no longer experience those fees. He stated that the remaining \$911,000 is being used this fiscal year from the General Fund.

Councilmember Anderson stated that capital expenditures have been cut with no new equipment or raises and is concerned how that will impact the Town in the next few years.

Councilmember Guilin stated that the Town can only cut capital expenditures for one to two years until the need to replace equipment becomes a safety issue and the usage of the vehicles would start to impact fleet maintenance. She stated that the capital projects fund is in place with designated funds for projects over \$5,000.

Mayor Rankin inquired what the General Fund balance will be at the beginning of the new fiscal year.

Mr. Farina stated that the expected General Fund balance will be approximately \$7,000,000 at the end of the Fiscal Year 2014/2015. He stated after the transfer to reserves, the balance will be approximately \$5,100,000, which is considered good based on the industry best practice standard of a minimum of two months of expenditures, which this balance is more than that amount.

Councilmember Guilin stated that she is not comfortable with the General Fund balance being \$5,000,000, even though that may be industry standard, she would like to see a higher balance and more controls on expenditures.

Mayor Rankin stated that by controlling expenditures in the 2015/2016 Fiscal Year, the General Fund balance will increase.

Councilmember Guilin stated the fund balance will improve, but Council needs to reduce expenditures to match the revenue as no additional revenue has been identified. She stated that the Town will see an increase in the stated shared revenue but those increases will not cover the expenditures. She stated that if the Town continues to spend as it has as this time, the General Fund will be depleted within a few years.

Mayor Rankin stated that he understood the need to cut back as money was spent this year as a vast amount of projects were completed that needed to be done. He stated that he had spoken with the Town Manager and the Finance Director and provided a directive that expenses must be reduced and brought back in line with revenues now that the capital improvement projects had been completed. He inquired as to what the sales tax revenue is being anticipated at in the upcoming fiscal year.

Mr. Farina stated that the projected local sales tax revenue for Fiscal Year 2015/2016 is \$2,564,000 which is a reduction from the current fiscal year based on current trends; however, it reflects an increase with new restaurants coming to Town. He stated that the State Shared Sales Tax is budgeted at \$2,439,500, State Shared Income Tax is budgeted at \$3,074,500 and the Vehicle License Tax is at \$1,304,300.

Mayor Rankin stated that he would like to do whatever is possible to not increase property taxes, as there will be an increase to property owners due to the increase for Central Arizona College (CAC). He inquired what percentage of the revenue is from property tax.

Mr. Farina stated that property tax is approximately 5% of the revenue budget.

Mayor Rankin inquired what other items did the State increase expenses or reduce revenues to the Town, and if there was any reduction to HURF.

Mr. Farina stated that the State is now charging for the collection of sales tax and has reduced property tax revenues, but there was no reduction to HURF.

Mayor Rankin inquired if the full amount of what was budgeted in HURF will be spent.

Mr. Montoya stated that the project list is itemized by one-time items and projects that will require the RFP process and have a longer time line for completion, which may rollover into the 2016/2017 Fiscal Year. He stated that the funds in the budget line item for 2015/2016 are anticipated to be fully spent on either one-time items or the RFP and engineering portions of the larger projects.

Mayor Rankin inquired if the Arizona Seals would be using the Aquatic Center.

Mr. Bryan Hughes, Parks & Recreation Director, stated that the Arizona Seals are interested in utilizing the Aquatic Center and he does anticipate entering into a contract with the organization. He stated that the potential income from the contract is not reflected in the budget at this time.

Mayor Rankin inquired if an Intergovernmental Agreement (IGA) will be entered into with the Florence Unified School District (FUSD) for the use of the Aquatic Center.

Mr. Hughes stated that he had an appointment scheduled with the FUSD to discuss an IGA for use of the Aquatic Center.

Councilmember Guilin inquired how the agreements with the Arizona Seals and FUSD would impact the operating costs for the Aquatic Center.

Mr. Hughes stated that the IGA with FUSD and the contract with the Arizona Seals would reflect additional fees to off-set operational costs to accommodate their usage outside normal business hours for the Aquatic Center.

Mayor Rankin inquired if the aquatic program has been expanded to reflect the Arizona Seals program.

Mr. Hughes stated that the Arizona Seals have many ideas for the Aquatic Center and discussions are in a preliminary phase. As discussion progress, he believes incorporating some of their ideas can be done with a minimal impact on the budget.

Councilmember Anderson inquired if the pool will need to be heated for their program.

Mr. Hughes stated that there may be one to two months where the pool may need to be heated, but anticipates those costs being recovered through their contracted fees.

Mayor Rankin inquired if a fee structure had been developed for the use of the Aquatic Center.

Mr. Hughes stated that the Parks & Recreation Advisory Commission will review the proposed fee structure. Upon revision, it will then come before Council for approval. He stated that staff is recommending to keep the fees low this year, review usage and needs from this year's season and revise the fees for next year's swim season.

Vice-Mayor Walter inquired as to how usage of the Aquatic Center will be tracked.

Mr. Hughes explained that usage trends will be tracked through class registrations, special group usage and the sale of annual passes. He stated that open swim will be a challenge as drop-in swimmers will be hard to track.

Councilmember Woolridge recommended using a tracking system similar to that used at the Florence Library.

Vice-Mayor Walter suggested that the library card be tied to the Aquatic Center to allow the same software to be utilized.

Mayor Rankin inquired if there were any projects that Council would like to see completed in Fiscal Y 2015/2016, if funds are available.

Councilmember Woolridge stated that she would like to see the Town not spend money unless it is necessary to sustain the current level of services or the safety and welfare of the Town.

Councilmember Hawkins stated that he would like to see what ongoing costs will be to be for current projects that are under construction. He would like to control spending to build up the General Fund balance. He stated that he is concerned that the State Legislature could impact the Town's revenues more with the changes they are making to the school system and other areas.

Councilmember Guilin stated that she is conservative and that no projects should be implemented until a capital projects plan is in place with a long range fiscal plan. She stated that the Town is spending more money than it is taking in, and as such, no projects should be completed that are not budgeted for.

Councilmember Anderson stated that the Town is not in a position to complete any additional projects as funds are limited. If a major issue arises; the Town would have to sell bonds to pay for it.

Councilmember Wall stated that the projected fund balance at the end of Fiscal Year 2015/2016 is an 18% reduction from the anticipated fund balance at the end of Fiscal Year 2014/2015. If spending continues at this rate, the Town will run out of funds in a few years. She stated that she is a fiscal conservative and until funding can be identified, no projects should be done.

Vice-Mayor Walter outlined her concerns regarding the duration of the 2013/2014 budget season, which include:

- Concerns with the salary schedule that were not addressed,
 - Understands that it would be too costly to resolve the concerns at this time.
- Town Manager oversees personnel
 - Some salaries have increased by \$30,000 in the last two years
 - Those types of increases cannot occur as it impacts the budget.
 - Some employees are falling behind based on the salary schedule
 - A plan needs to be made to progress them accordingly.
 - There are part-time employees that are being compensated at the same rate as the full-time employees in some departments.
 - There are discrepancies in the system that need to be addressed, which funding does not permit at this time.
 - Raises at the level they have been previously awarded need to stop.
 - The draft budget reflects a 3% stipend to be paid out in a lump sum based on the employee's merit score.
 - She is not in favor of a lump sum payment instead of incremental payments each payroll cycle because if an employee should leave the Town, they have received their full year increase without working a full year.
 - It is anticipated that when you work, you are working towards retirement and when your salary or wages are frozen and you don't experience an increase, retention will be affected as staff will move on where they can realize better wages.
- Train department heads trained to apply for grants which would eliminate the need for the Grants Coordinator position that is currently frozen.
 - The Town has received the most grants it ever has in this fiscal year.
 - The sharing of knowledge on how to apply for grants would benefit everyone.

Vice-Mayor Walter inquired as to what the temporary Captain position was in the Fire Department.

Mr. Montoya stated that several years ago, the Fire Chief was reassigned as Captain due to internal issues within the Department. The position was created to resolve the

conflict. He stated that in a few weeks, a current Shift Captain will leave the Department. The individual holding the temporary position has been notified that they will be assigned to the soon-to-be vacant Shift Captain's position.

Vice-Mayor Walter inquired as to why there are currently two people holding the Facility Management Manager position.

Mr. Montoya stated that the incumbent will be retiring in a few weeks and when that occurs there will only be one person holding the Facility Management Manager position.

Vice-Mayor Walter stated that she would not like to see property taxes increase. Those living in the northern part of Florence have identified that over half of the budget overage is for the operations of the library and aquatic center. If that expense were not included, the budget overage would be much more manageable. She also inquired as to what the cemetery donation is.

Mr. Farina stated that Mr. Morris Taylor, Public Works Superintendent, notified him that the Town will receive a \$10,000 donation for the expansion of plots in the cemetery. He stated that the budget reflects the donation and the expenditure for this project.

Vice-Mayor Walter inquired as to who would be making the donation.

Mr. Wayne Costa, Public Works Director, stated that there will be a presentation in July 2015 regarding this donation.

Mayor Rankin stated that he would like to see a recreational center built for the Town providing indoor facilities for various sports, dances and other community events.

Councilmember Hawkins stated that he believes the Town has done a lot for the community with the building of the new library and aquatic center.

Mayor Rankin stated that he believes the Town is still being too conservative to sustain the growth and progression that the Town is experiencing. He stated that more retail sales are coming and will leave as the population is not able to sustain their business. He stated that there will be more roads to maintain, as well as working with developers that are building along Hunt Highway to ensure the infrastructure can sustain the population. He stated that Council and Town staff must be fiscally responsible in the upcoming years and fulfill the obligation to the voters that have entrusted Council with the business of the Town.

Mayor Rankin inquired if Councilmember Guilin and Councilmember Anderson are good with the draft budget that is being presented.

Councilmember Guilin stated that Council will need to move forward with the budget as it is now but must monitor all expenses, continue to look for revenues, and at the end of the year, bring in a balanced budget.

Councilmember Hawkins stated that the Town has a population of 9,000 not including the prisoners but the budget is being built like the prisoners are included. He stated that the Town needs to run within its revenue limitations. He stated that Council does not know what it is going to take to operate and maintain the new buildings the Town has built or is building now and that nothing else should be built until this issue is realized and properly afforded in the budget without tapping into the fund balance.

Councilmember Guilin stated that she understands Mayor Rankin's vision but it will have to be postponed. She stated that the projects currently under construction should not have been paid for in cash, but with partial cash and with revenue bonds, as there was no fiscal planning for the future which depleted much of the Town's cash assets.

Councilmember Anderson stated that he agrees with Councilmember Guilin and wants to challenge all staff members to look for cost-savings and to work more efficient as there will be financial obstacles in the future that will need to be overcome so that the Town can continue to grow.

Mayor Rankin stated that he believes the Town has spent within their means or slightly over; however, the revenues are not where they were projected. He stated that the Department Heads have done a great job putting the draft budget together, cutting costs and streamlining expenses.

Councilmember Anderson inquired what is included in the Parks and Recreation donation line item of \$25,800.

Mr. Farina stated that the \$25,800 is donations that have been received but not yet spent.

Mr. Montoya inquired if Council is accepting of including \$40,000 back into the Fire Department's budget for the part-time salaries.

Mayor Rankin inquired as to why these funds were needed.

Mr. David Strayer, Interim Fire Chief, stated that he was asked to reduce overtime in the department without sacrificing service. He stated that OSHA Requirement No. 1710 states that if there is a structure fire, there must be one firefighter outside of the structure for every fireman that goes into the structure. He stated that the crew size was reduced to three at Station No. 2. If a structure fire were to occur in their area, the crew would have to wait for a second engine to arrive before entering a structure fire, which could be a minimal delay of 12 minutes depending if the engine from Station No. 1 were available. He stated that if the funds can be placed back into the budget, proper staffing of the shift crew can be obtained when leave is occurring by bumping up crewmembers that are crossed trained to fill positions and backfill with part-time crew members. He stated this processes will not totally eliminate overtime but it will reduce it without impacting service.

Mr. Montoya stated that the SAFER Grant the Town received was to ensure a four person crew on each shift at Fire Station No. 2. He stated that, in recent months, there have been times where the crew has only had three members which could work against the Town when it applies to have the grant extended.

Mayor Rankin inquired when the SAFER Grant will expire.

Vice-Mayor Walter stated the SAFER Grant expires in March 2016.

Mayor Rankin inquired as to when the Town will experience additional payroll if the SAFER Grant is not extended.

Mr. Montoya stated that the draft budget reflects a \$40,000 increase to the Fire Department budget for the payroll of the three crew members that are currently funded through the SAFER Grant. He stated that the funds would start in April 2016 through June 2016 if the Grant is not extended.

Councilmember Woolridge inquired if there is an option to cover open shifts by a change in scheduling.

Chief Strayer stated that the Fire Department's staffing policies are currently being reviewed and revised to address and minimize the number of crew members that can be on leave at a given time and the crew duty rotation regarding the number of consecutive days the crew is on shift and off shift.

Councilmember Guilin inquired if the revisions include Fire and Emergency Medical Technician (EMT) services. She also inquired as to how many structure fires the Department experienced in the last year.

Chief Strayer stated that the review and revisions cover all services provided by the Fire Department. He stated that he would have to follow up with Council regarding the number of structure fires the Department has experienced in the last year.

Councilmember Guilin inquired if the fourth man on a crew is only required for a fire.

Chief Strayer stated that the fourth man on the crew is for fire and hazmat incidences.

Vice-Mayor Walter stated that it is her understanding that the crew is on a 212 hour rotation and inquired if there is a better way to structure the on-duty shifts that would be more advantageous for the crew members to not take time off during a scheduled shift.

Chief Strayer stated that the current Labor of Standards Act stipulates the 212 hour 28-day cycle and that he is not sure there is any latitude in the Act. He would need to review the Act with the Town's Human Resources Department to determine if any modifications can be made.

Vice-Mayor Walter stated that she is aware that the Town's implementation of the Labor of Standards Act is unique in comparison to other cities and Towns in the Valley.

Chief Strayer stated that there is latitude in the way a municipality implements the Act and would look at what options the Town may have with the Human Resource Department.

Mr. Scott Barber, Human Resource Director, stated that the Town of Florence selected the current work schedule several years ago, which is typical for most municipalities. The 212 hours 28-day cycle takes into account leave time before overtime is calculated. He stated that selecting a different type of work schedule may or may not impact the bottom line cost. Options can be reviewed to determine if there are any cost-saving alternatives.

Councilmember Hawkins stated that he believes the Fire Department is being run based on a population of 25,000 instead of 9,000 and does not believe the fire trucks should be responding to a medical emergency with a crew of four when an EMT crew of two would be able to handle the situation with assistance of Southwest Ambulance. He stated the Town has a brand new ambulance that has been sitting unused for six years that could be used for medical situations and would allow for less mileage to be placed on the fire trucks. He stated it would be a better use of all assets in the Fire Department.

Vice-Mayor Walter stated that she agreed with Councilmember Hawkins and that if the Town would seek the Certificate of Necessity, the use of all resources would be a huge positive financial impact for the community and increase services that could be provided to the residents. She stated that until Fire Station No. 2 was built, the residents in the far northern part of Town were paying higher insurance premiums as the area was classified as a nine due to the bridges used to get to that part of Town. She stated now that the station has been built and fully staffed, her insurance has been reduced drastically and she would not want to see any changes to the Fire Department that would financially impact the residents in the area.

Councilmember Hawkins stated that he too would not want to see any changes to service that would impact any residents. He stated that he would like to see all assets of the Fire Department be utilized to minimize costs and to be as efficient as possible.

Vice-Mayor Walter inquired if obtaining the Certificate of Necessity is being addressed at the current time.

Mayor Rankin stated what needs to happen is to have Council review the employment policies of the Fire Department and make sure the department is working as efficient as possible without sacrificing services. He stated that the Certificate of Necessity is very expensive and not sure the cost would provide a true savings. He stated that he was not in favor of reducing the number of responders to a medical call based on his own

medical experience which required many crew members to keep him alive. He stated that he has great respect for the firefighters who are the first responders who will determine if ambulance services are needed and will provide services that ambulance staff is not able to. He stated that a majority of the medical calls received are from the prisons.

Mr. Montoya stated that the Fire Department, specifically at Fire Station No. 1, is responding to medical calls first with the Transitional Response Vehicle (TRV) which is a transitional response vehicle for any medical calls out of Fire Station No. 1. He stated that because of the weight limit on the bridge going into the prisons, the engine would have to go the long way and the TRV can take the shorter route. He stated that staff has looked at obtaining the Certificate of Necessity but due to the expenditure limitation, the cost would adversely affect the bottom line as the certificate would require bringing online more vehicles and more firefighters.

Mayor Rankin stated that when you have a local hospital, it is advantageous to have the Certificate of Necessity for the residents but there are insurance issues with the hospital that is also hindering the justification of the cost of the certificate. He stated that if the Town takes over the ambulance services for the Town, you must operate with multiple vehicles to ensure services are available for all calls.

Councilmember Hawkins stated that he is concerned that the million-dollar trucks are being worn out at a higher rate than needed due to being used for medical calls.

Mayor Rankin inquired if all members of Council were in agreement with adding the \$40,000 back into the Fire Department budget.

Councilmember Anderson stated that he was in agreement with adding the funds back into the Fire Department budget.

Councilmember Guilin inquired if the \$40,000 will be used if the SAFER Grant is not extended or is it needed payroll that will not be affected by the status of the grant.

Chief Strayer stated that when a position on a shift is open the first option would be to move up a qualified crew member already on shift to cover. Once all moves have been made to cover the shift opening, the schedule will be backfilled by a qualified part-time crew member. He stated that this process should result in a savings of three to one for each dollar spent.

Councilmember Guilin stated that she was okay with the funds being placed back into the budget as long as the savings is three to one.

Chief Strayer stated that it is the intent to not spend the entire amount if at all possible.

Mayor Rankin asked for an agreement from Council to request staff to add the funds back into the budget.

Vice-Mayor Walter inquired that if the funds are placed back into the budget, that the budget amount would then be \$200,000.

Chief Strayer stated that the additional funds would restore the dollar amount to its original funding level.

Councilmember Guilin inquired if the anticipated overtime budget line item would be reduced to compensate for the increase in the part-time salary budget.

Councilmember Woolridge and Councilmember Hawkins agreed with Councilmember Guilin.

Councilmember Guilin noted that in review of the 2013/2014 payroll actuals, overtime was at \$92,890 and part-time salaries were \$82,463. She stated in the current fiscal year, overtime is at \$108,000 and part-time salaries are \$16,000. She inquired how a savings of three to one would be accomplished without hindering services.

Chief Strayer stated that the over-time budget will be very tight as \$120,000 is per the Fair Labor Standards Act (FLSA) and there is no reducing that number. He stated that the remaining \$80,000 will barely cover sick and vacation leave. The use of backfilling shift openings with qualified part-time crew members is an effort to alleviate the demand on overtime dollars.

Councilmember Guilin inquired where in the budget the savings is being reflected.

Mr. Farina stated that the budget does not reflect the savings at this time.

Mr. Montoya inquired of Chief Strayer if the Fire Department received the additional \$40,000 in part-time salaries than the goal will be to spend less than what is being anticipated in overtime salaries.

Chief Strayer stated that he is trying to reduce overtime by supplementing covering of open shifts with part-time crew members.

Councilmember Guilin inquired if the \$40,000 is additional to what has been budgeted in hopes that it will reduce overtime even more.

Mr. Farina stated that overtime has already been cut and the \$40,000 in part-time salaries would be an addition to allow for proper staffing during crew leave.

Chief Strayer confirmed Mr. Farina's statement to be correct.

Councilmember Hawkins inquired as to why there is such a drastic difference in part-time salaries between stations and from one year to the next.

Mr. Farina stated that he developed the projected numbers from historical expenditure data.

Mr. Montoya explained that the change in part-time salaries at Station No. 1 was due to the use of the TRV at Station No. 1 in late 2013/2014 and early 2014/2015 that was staffed with part-time crew members, alleviating the use of the engine for medical calls. He stated that there are not enough full-time crew members to staff the TRV without incurring overtime.

Councilmember Hawkins inquired as to why full-time crew members who are on shift could not take the TRV calls as well.

Mr. Montoya stated that the TRV is the first to respond to a medical call at the prisons. The engine at Station No. 1 is then in line for the next call to come in whether it is medical or fire.

Mayor Rankin inquired if there will be a savings in overtime if the \$40,000 is placed into part-time salaries.

Chief Strayer stated that this will be a new process for the Department but he is confident a savings would be realized.

Councilmember Anderson recommended postponing the decision on the \$40,000 increase until the next work session to allow staff to pull together additional information on how savings will be realized.

Mayor Rankin inquired if staff could develop statistical information.

Councilmember Hawkins requested that the information include statistical data on call history by area, by medical calls and by station.

Mr. Mark Eckhoff, Community Development Director, stated that for the past six months the Community Development Department has been operating with one Senior Building Inspector. Prior to that, the Department had struggled to keep the Building Inspector positions filled. He stated that the Town has local and State statutory requirements that requires plan reviews and inspections to be completed within a certain amount of time. He explained the workload of the Building Inspector and the level of service that the customers have come to expect. Much of the service provided keeps the Building Inspector out in the field and leaves the office without a Certified Building Inspector to answer the technical questions that are received. He stated that the Department has struggled to maintain the level of service that is expected with only one Certified Inspector. When the Department had two inspectors; it was able to be proactive with code compliance throughout the Town.

Mr. Eckhoff stated that a recommendation is being made to help offset the expense of a second inspector by sharing administrative staff with the Engineering Department that is

moving into the Community Development building. It will also reduce the professional services line item as the need to outsource plan reviews and inspections would be reduced with a second inspector. He stated that the Department has not operated with a single inspector in nine years and geographically, the size of the Town has created a physical challenge to keep covered.

Mayor Rankin inquired how many new home permits have been issued this year.

Mr. Eckhoff stated that the Department is averaging 20 new home permits a month. He stated that the inspector is very busy with small projects on homes, solar permits in the Anthem area, gas line inspections, pool inspections, and home additions. There has been a lot of activity in the downtown area including the work being done at Territory Square and various tenant projects.

Mayor Rankin inquired if having a second inspector would eliminate the use of outside professional services for the review of plans and project inspections?

Mr. Eckhoff stated that is the goal is to only use outside professional services when absolutely necessary. He stated that the use of Town staff creates efficiency and relationships that are established with familiarity of the customers that the Department is working with, the scenery of where the project is being done and the development history of the area.

Mayor Rankin inquired as to the financial wash that would be experienced by sharing administrative staff with the Engineering Department.

Mr. Eckhoff stated that the two departments would share administrative staff which would alleviate the need to hire an Administrative Assistant for the Engineering Department and cover a portion of the second inspector's salary with the remaining balance being covered by the reduction of the professional services line item.

Mayor Rankin inquired which department the Administrative Assistant would be under.

Mr. Eckhoff stated that the Administrative Assistant would be a Community Development employee as they will be in the front of the Department assisting the citizens who come to the office.

Mayor Rankin inquired if Mr. Costa was comfortable with the administrative plan between the two departments.

Mr. Wayne Costa, Public Works Director, stated that he was comfortable with the sharing of the Administrative Assistant so long as there is some control over the position to ensure contracts and relationships are managed correctly with other departments and municipalities.

Mayor Rankin stated that it would be something for the Department Heads to coordinate and workout the specific duties of the Administrative Assistant.

Councilmember Guilin inquired as to what the salary would be for the shared Administrative Assistant.

Mr. Costa stated the position is at pay scale 30 per Town policy. He stated originally the position was paid out through three departments; 10% engineering, 25% HURF fund and the remainder in water and sewer. He stated the position would have to be reallocated according to the change.

Councilmember Guilin inquired what the full cost would be for a second inspector.

Ms. Garcia stated that the original departmental consolidation plan that Council previously approved stated that the Administrative Assistant for the Engineering Department would be filled by an individual at the Public Works Department. She stated that the change that is being recommended is to not bring over a staff member from Public Works and to share an existing staff member that is already in place at Community Development. She stated that payroll dollars would then be reallocated to the correct departments based on the volume of work the position would be doing for each department. She stated that staff can bring back to Council at the next work session the allocation plan for the Administrative Assistant position.

Councilmember Anderson stated the inspector position is a frozen position at this time at a cost savings of \$56,400.

Mr. Eckhoff stated that Councilmember Anderson was correct and through recent discussions between departments the ability to share a staff member came to fruition and is being recommended to Council.

Councilmember Anderson inquired if there was an actual increase to the budget with the recommendation or just reallocation of funds from one account to another.

Mr. Eckhoff stated that Councilmember Anderson was correct that the proposal does not add funding to the budget; it is requesting reallocation of funds from one account to another.

Councilmember Guilin inquired if a second full-time inspector is needed.

Mr. Eckhoff stated that historically both inspectors have been full-time. He stated if funding does not permit the hiring of a second full-time inspector, then alternatives will be looked at but it would hinder the Department in accomplishing the goals and it may not experience the cost savings it is hoping to do with the current proposal. He stated during the slower months, the Department works on code compliance issues, plan reviews and administrative duties that need to be completed.

Councilmember Anderson inquired as to how many inspections are done on a yearly basis.

Mr. Eckhoff stated that the Department provides on a monthly basis the number of permits that are pulled and what inspection have been done in the monthly report.

Mayor Rankin stated that he would be supportive of hiring a second inspector if the position can be justified.

Mayor Rankin asked that the funds be placed back into the draft budget and that staff provide the charging breakout for the shared administrative position.

Mr. Montoya stated that the current draft budget does not reflect the \$500,000 the current budget has set aside for the annexation should it go through.

Mayor Rankin stated that Council should budget for the possibility of the annexation to go through and if the annexation does not go through, then the funds will remain unexpended.

Vice-Mayor Walter inquired if there was a way to include the funding, if needed, without impacting the proposed budget.

Mayor Rankin stated that there really is no alternative, if the annexation goes through, the Town will be obligated to provide the services to those areas.

Mr. Montoya stated that services would include police and fire which would require additional staffing.

Mayor Rankin stated that the judge has not made his ruling on the annexation case so at this point Council and staff can only anticipate what the cost of services will be.

Vice-Mayor Walter inquired if the expense could be bonded.

Councilmember Guilin stated that salary expenses for police and fire cannot be bonded.

Councilmember Anderson inquired how many additional staff would be hired if the Town does not have the equipment.

Mr. Montoya stated that the TRV would be moved into full-time usage, the ambulance would be placed into service most likely in the Anthem area. He stated that the presentation that was given to Council in 2013 did not plan for a new fire station to be built for three to four years after the annexation was completed.

Vice-Mayor Walter inquired as to how staff plans to service the annexation area with the current staffing levels of the Fire Department.

Chief Strayer stated that Station No. 2 would be able to properly service the annexation area.

Mr. Montoya stated that the original plan for the annexation was to review the call volume for the annexation area for several months to determine if a staffing increase would be necessary to properly service the area.

Vice-Mayor Walter stated that police resources would definitely need to be increased.

Mr. Daniel Hughes, Police Chief, stated that the department would reallocate resources and adjust shift staffing to cover the new area. He stated that call volume will dictate if additional staffing will be needed but he is confident the department can handle the area without an increase at this time. He stated that the County considers the area a high volume call area but he believes with strong crime prevention the volume can be reduced.

Vice-Mayor Walter stated that she would like to see the budget reflect the salaries and resources that would be needed if the annexation goes through to ensure proper service levels.

Mr. Montoya stated that in previous conversations regarding the annexation, it was determined that a second engine would run out of Station No. 2 to assist with the call volume.

Mayor Rankin recommended placing the funds in the Council budget to allow Council to monitor the funds if utilized for the annexation area.

Councilmember Guilin inquired what the \$500,000 would be used for.

Mr. Montoya stated that a portion of the funds would be for life, health and safety needs for the area including roadway issues and signage.

Councilmember Guilin stated that she would like clarification as it is her understanding that no additional staffing would be needed to service the annexation areas.

Vice-Mayor Walter stated that it is her understanding after speaking with Chief Hughes that additional police officers and a dispatcher might be needed to properly cover the annexation area. She stated that those positions are frozen at this time and it might be more economical to hire those positions rather than incur overtime.

Councilmember Guilin inquired if additional staff would be needed to cover the annexation areas.

Chief Hughes stated that the Town is currently divided up into three beats and if the annexation goes through a fourth beat would be created. The beats would be staffed with either one officer in each beat or by combining beats during a shift if full staffing is

not available. He stated it is his goal to not have to hire more officers at this time. He stated that for dispatch operations, staffing has been a challenge and he is concerned with the volume of overtime that is being utilized to keep dispatch operations covered.

Mr. Farina stated that he would suggest bringing back, at the next work session, the fiscal numbers from the impact study that was done for the annexation to allow a review of the projected financial impact the new areas will have on various departments. He stated that the study will also show the revenue the Town will experience that will assist in offsetting the expenses.

Mayor Rankin requested that the information be separated by each annexation area.

Mr. Farina stated that it would be Arizona Farms and Magic Ranch.

Vice-Mayor Walter inquired as to when the population numbers for the Town would reflect the annexation if it goes through.

Mr. Montoya stated that the next census is being done this year. 2015.

Mayor Rankin stated that the Town would most likely not see any financial reimbursement from the State until 2020.

Mr. Eckhoff stated that there is another process that can be done that would allow the addition of population based on prior census information.

Mayor Rankin stated that he was not aware of this process.

Mr. Eckhoff stated that this is the mechanism that staff was going to utilize if the annexation was passed.

Mayor Rankin stated that he would like to discuss long range financial planning and capital improvement planning.

Mr. Montoya stated that staff is recommending that a long range financial plan be developed and update the capital improvement timeline as many items have been pushed off year after year. Staff will provide Council with a recommendation on how to approach the utility rate study. He stated that the last item staff needs direction on is if Council would like to move forward with the 3% stipend for staff.

Councilmember Anderson stated that he would recommend selectively eliminating stipends maybe with department heads that are paid at a higher rate to not penalize the employees.

Vice-Mayor Walter stated that in the past staff received a merit increase then most recently department heads received a stipend and now we are looking at everyone receiving the stipend which would not count towards retirement funds.

Mr. Montoya stated that he utilized the stipend with the department heads last year to aid in not adding to the budget in light of the expenditure limitations the Town was facing. He stated that the recommendation from staff is to use stipends for all employees this year which would be at a cost of \$340,000, which would not compound year over year. The stipend will be given at the employee's anniversary date.

Mayor Rankin recommended that the 3% stipend be distributed towards the end of the fiscal year and if the employee should leave the Town prior to the distribution date, the amount they receive would be prorated.

Ms. Garcia stated that current process has merit increases reviewed and determined at the employee's anniversary date which is staggered throughout the year. She stated that staff can provide Council with a monthly overview of how many yearly reviews are completed each month. She stated that the Human Resources (HR) Director can review the part-time pay scale and make recommendation how to adjust to fix compression and improve the scale going forward when the Town is fiscally able to. She stated that the HR Director has already created a preliminary report that addresses these concerns and would provide this information to Council.

Mayor Rankin inquired if Ms. Garcia was speaking to an employee's yearly evaluation.

Ms. Garcia stated that she was speaking to the employee's yearly evaluation when their supervisor sits down with them and reviews how well they have done over the last year and at that time would receive the stipend.

Mayor Rankin inquired as to why the stipend process could not be done at the same time for all employees as he believes this would be a cleaner accounting process.

Councilmember Guilin stated that the process that Mayor Rankin is recommending would be unfair to the employees, as was in previous years. She stated that the approach was used and some employees, based on their anniversary cycle, had to wait two years to receive any type of merit funding.

Mr. Barber stated that a stipend payment is still considered a wage payment and as such the employee is not compromised as the funds are still subject to retirement savings and calculations.

Vice-Mayor Walter stated that she wanted to emphasize that with a stipend program, the funds will not compound year over year.

Mr. Barber stated that Vice-Mayor Walter was correct.

Councilmember Wall inquired as to what a merit raise stipend is.

Mr. Montoya stated that each employee will go through the review processes and at that time would receive the stipend based on performance.

Mr. Barber stated that the salary increase program is merit based that looks at the position the staff member holds, their tenure with the Town and the predetermined salary range the Town has developed for that position.

Mr. Montoya stated that the 3% merit stipend would be awarded to a staff member after their annual review on their anniversary date.

Mayor Rankin stated that he believes staff deserves the stipend and hopes funding will permit for it.

Councilmember Guilin inquired if the budget process is being completed on time to allow for the adoption of the property tax as required.

Mr. Farina stated that he would double check the time line but is fairly certain the adoption schedule is in compliance with the State Statute.

Ms. Garcia stated that once the Council adopts the tentative budget, it will still have an opportunity to hold meetings regarding the budget apply additional cuts, if needed, and hold public hearings. She stated the only thing Council cannot not do is exceed the tentative budget when approving the final budget.

Vice-Mayor Walter disagreed with Ms. Garcia as the work session was the first opportunity Council as a whole has had an opportunity to discuss and review the entire proposed budget.

Ms. Garcia stated the budget schedule adheres to the Truth-in-Taxation notification scheduled as long as Council adopts a tentative budget. She stated that with the departure of the Finance Director on July 3, 2015, the schedule that has been planned will allow for Mr. Farina to notice the meetings and adhere to the Statute requirements prior to his departure date.

Vice-Mayor Walter stated that based on the requirements, Council will then have a Work Session on June 18, 2015, Special Meeting on June 29, 2015, and final adoption of the budget on July 6, 2015.

Mayor Rankin asked that a meeting schedule be distributed to all Council members as soon as possible including starting times.

Councilmember Anderson inquired as to when a public hearing will be scheduled regarding the budget.

Ms. Garcia stated that there will be a public hearing scheduled prior to the approval of the final budget.

Councilmember Hawkins stated that he read in the Florence Dispatch that the City of Casa Grande is behind in their State Retirement payments by \$35,700,000. He stated that he has also learned that most cities and towns in Arizona are behind in their payments included the Town of Florence. He stated that he would recommend looking at the retirement program offered to employees and possibly go with a different program moving forward with new employees.

Mr. Barber stated that he has served as a representative of the League of Cities and Towns on a task force to create recommendations regarding the State Retirement Program and the task force is recommending a new program that if adopted could go into effect in July 2016 at the next legislative session. He stated that for the two departments within the Town of Florence that participate in this particular program; police and fire, one department is \$500,000 in the red and the other is \$500,000 in the black.

Vice-Mayor Walter stated that she would like to correct her dates as the special meeting of Council would be June 22, 2015, not June 29, 2015.

CALL TO THE COUNCIL

Vice-Mayor Walter thanked Councilmembers Guilin and Anderson for their work with the Budget Committee. She stated that she would like to see Council work closer together and with staff creating goals and planning for the future.

Mayor Rankin thanked the staff for their work on the budget and encouraged everyone to work together to stay on budget and build up the General Fund now that many projects have been completed throughout the Town.

ADJOURN TO EXECUTIVE SESSION

An Executive Session will be held during the Council Meeting for the following, pursuant to A.R.S. Section 38-431.03(A)(1):

- a. Evaluation of the Town Manager.**
- b. Town Council appointee updates. Various appointed positions for the Town are open. The Town Council will be discussing appointments involving the following Town positions: Town Attorney; Town Magistrate.**

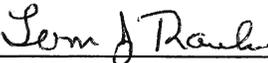
On motion of Vice-Mayor Walter, seconded by Councilmember Hawkins, and carried to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Councilmember Anderson, seconded by Councilmember Guilin, and carried to adjourn from Executive Session.

ADJOURNMENT

On motion of Vice-Mayor Walter, seconded by Councilmember Anderson, and carried to adjourn the meeting at 9:30 pm.



Tom J. Rankin, Mayor

ATTEST:



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 June 10, 2015, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk