

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, JUNE 16, 2014, AT 5:00 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 5:03 pm.

**Roll Call:**

Present: Rankin, Smith, Celaya, Hawkins, Montañño, Walter, Woolridge

**WORK SESSION REGARDING CHANGES TO THE TOWN OF FLORENCE CODE OF ORDINANCES: ADAPTIVE REUSE AND SIGN CODE.**

Mr. Mark Eckhoff, Community Development Director, provided a presentation in which he outlined the Infill Incentive District and stated that the Adaptive Reuse Program would be adopted under the purview of the Infill Incentive District. He stated the area would include the Town core and explained the parameters. He provided a brief introduction of each of the following items which encompasses the Adaptive Reuse Program: building codes, change of occupancy, life safety issues, fire safety, plumbing facilities, special occupancies, accessibility requirements, plan review and permit fees, Development Impact Fees, building across property lines, parking requirements, paving and grading requirements, and landscaping requirements.

Mr. Eckhoff discussed issues regarding restroom needs for buildings that may not have space for an independent restroom in their facility. He said common restrooms could be an option. He also discussed modifications that can be made to the Development Impact Fees; and stated that there is a legal mechanism that allows for the fees to be modified specifically for that area. Parking is something that can also be modified due to parking issues in that area.

Planning and Zoning Commissioner Gary Pranzo stated that he has read the Town Code and it is complicated and needs to be condensed.

HDAC Commissioner Cathy Adam stated that she researched the latest bulletin from the National Park Service, which stated that local guidelines may have been too restrictive and are dictating what is coming up to be very bland and uniform signs, which was not the original intent. The Town may want to consider other ways to attract people into businesses. She said anything that the Town can do to simplify the Code would be great. The current Code is very complicated and very difficult to determine what the initial cost will be.

HDAC Commissioner Lynn Smith would like to see an ordinance requiring business signs to be removed within a certain period of time once the business closes down.

Mr. Eckhoff stated there are provisions in the Town Code for the signs to be removed after a certain period of time.

Mayor Rankin stated that he has received numerous complaints about the amount of time it takes to obtain a building permit. He said the process needs to be simplified while still adhering to the Town Code. He inquired if the process can be further simplified.

Mr. Eckhoff stated that staff is currently working on simplifying the permitting process and update the Town Code. He said issued permits in the core area are sometimes challenging because of issues with the age of the building and Code compliance. He said they will further educate the public to help them through the process.

Mayor Rankin inquired what is being done with the vacant, historic buildings on Main Street.

Mr. Charles A. Montoya, Town Manager, stated that the Fire Department and Community Development will be inspecting the buildings on Main Street for Code compliance and fire issues. He said all safety issues will be addressed and citations will be issued.

Mr. Eckhoff stated that staff will work with the property owners to bring the buildings into compliance so they can obtain certificates of occupancy. The goal is to get all of the buildings occupied, but more importantly, to abate all safety problems with the buildings on Main Street.

Discussion occurred on the parameters of what the building inspector can do.

Discussion occurred on when an engineer would be required for projects.

Councilmember Hawkins stated that engineering should not be required for minor modifications such as adding a window or door, nor should engineering be needed for minor repairs.

Mayor Rankin inquired if engineering is needed because of liability issues.

Mr. Eckhoff explained the reasons that engineering is needed and provided examples of where engineering is needed. He said ultimately it is safety that is the priority and the Town has an obligation to ensure that buildings are safe. He said the Council has the authority to make changes to the Code.

Councilmember Woolridge inquired what the recourse is for building code violations.

Mr. Eckhoff explained the process for those who are issued code violations and the various outcomes.

Vice-Mayor Smith stated that the Town Code needs to be modified. The Town could do courtesy inspections to assist the building owner. He inquired when the Fire Marshall started.

Mr. Montoya stated that the Fire Marshall began his employment with the Town approximately six months ago.

Councilmember Celaya stated that he agrees that the processes need to be streamlined, but safety is the priority. He cannot allow the Town Code to be modified where building safety is concerned. He said non-safety issues such as dirt parking lots, shared restrooms, etc., can be modified to help streamline the process. The Town should not take on the responsibility of being an engineer. He said he just returned from the State Historic Preservation Conference where they discussed issues very similar to the problems that all of the older buildings have in modifying them to make them usable. True Value provided a presentation in which they discussed the issues they encountered in order to be in compliance. Tempered glass was discussed for store fronts.

Councilmember Hawkins stated that he wants to ensure safety as well and ensure Code compliance.

Councilmember Walter said a secondary checks and balance is needed and staff does goes out to do inspections to ensure that the project is done correctly.

Mr. Eckhoff stated that staff does assist the public and offers guidance as needed. He said they also enforce the Code and ensures public safety. They also have to comply with State requirements.

Mayor Rankin inquired if a permit is needed if a homeowner is going to re-roof their home.

Mr. Eckhoff explained when a permit is needed and the reasons for the permit. He said staff wants to ensure that the work is being done properly and to protect the consumer as well.

Commissioner Pranzo stated that there are pros and cons to someone doing the work themselves and complying with the Town Code. He discussed a person's level of expertise for doing various types of jobs and when a permit may be needed. He discussed the various levels of permitting. He said at times people will hide the work and not obtain a permit because they cannot afford to hire an engineer; however, they are capable and knowledgeable of doing the work.

Commissioner Adam explained the timeframe of when a permit is issued for someone who is doing work in the Historic District and the requirement for a design review before the permit can be issued. She explained the time frame for obtaining a design review to receiving their permit. She said it can be take six to eight weeks. She said if a building

permit is pulled for something that does require a design review, staff can issue a permit and forward the project to the HDAC at their next meeting.

Commissioner Chris Reid stated that she would like to see financial incentives for going green added to the Town Code to encourage the residents to go green.

Councilmember Walter inquired what area of the Town Code would they like to see addressed first.

Commissioner Pranzo stated that the sign code needs to be addressed to make it easier to understand and to make it user-friendly.

Mr. John Anderson, Florence Resident, stated that the Town Code needs to be simplified. He said the Planning and Zoning Commission should review the Code and make recommendations.

Councilmember Celaya stated that Pinal County has not had any issues with working with the Town in obtaining their permits for their projects. He said most of their projects are for modifications. Staff has assisted Pinal County with several of their projects.

Councilmember Montano stated that staff has streamlined the process and has processed the permits in a timely manner for new construction.

Mayor Rankin stated that the process needs to be streamlined and the public needs to communicate with the staff. He inquired the cost of impact fees for a new home structure on a lot where a home was at previously.

Mr. Eckhoff stated that an impact fee would not be assessed on a home in which a previous building existing on that lot. He said the fees will vary for homes in which a building never existed on the property. He said the fees are dependent of where the property is located and the level of service for that area. He said the impact fee structure can be modified. He said anything that the Town can do to stimulate growth would be an offset to what the fee may be. He stated that a new study will need to be done.

Councilmember Walter explained how much each subdivision pays in taxes for their homes and what the Town receives.

Mr. Eckhoff explained the impact fees for the various subdivisions and why there are differences in fees. He explained the services that currently exist in the areas and what services are needed, which is why there are various impact fees.

Councilmember Walter outlined the taxes for the various areas. She explained how much each area contributes.

Mr. Eckhoff further discussed the impact fees and the service levels for Anthem.

Mr. Art Buckley, Florence Resident, explained how impact fees affected Florence Gardens and building on infill lots. He provided a brief history of how the Town obtained the water and wastewater systems in Florence Gardens and the assessment fees that were imposed on each of the lots. He said people do not want to pay impact fees and will not build on infill lots. He said having impact fees are not working since no one is building on those lots and Florence is not receiving any monies from the impact fees.

Mayor Rankin does not agree in charging impact fees to areas that already have services in that area. He said something needs to be done in order to stimulate growth in the core area.

Councilmember Hawkins stated that the public can also seek a variance from the Council for their projects.

Councilmember Celaya said they have to show a return on investment if the fees are waived.

Mr. Eckhoff staff will research the following and present to Council:

- An opportunity in the Adaptive Reuse Policy to reduce or eliminate the Development Impact Fee for lots that had an existing building or where services are already established
- Reduction of impact fees on commercial properties
- The impact of changing the impact fees
- New impact fee study

Mr. Eckhoff stated that he understands the direction of the Council to:

- Look for opportunities to condense the Code
- Streamline the Code to make it more user-friendly
- Update the language regarding signage
- Create new provisions for electronic signs
- Updates on political sign

Mr. Eckhoff stated that they will present the recommendations to the Historic District Advisory Commission and the Planning and Zoning Commission. The final model Code will then be presented to the Council.

Commissioner Lynn Smith does not want to see electronic message signs in the Historic District. She said that she does not mind neon signs.

Mayor Rankin stated that neon sign codes needs to be reviewed. He can agree that electronic message signs should not be in the Historic District.

Commissioner Reid stated that A-frames and banners need to be addressed. She said the A-frames crowd the sidewalks and there is no room for pedestrians. The banners are up for months at a time and become tattered. They should come down after a certain period of time.

Mayor Rankin stated that A-frames help attract people to the businesses. He would like to see merchants come before the Council to discuss this further.

### **INVOCATION**

Councilmember Walter led the invocation.

### **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.**

Ms. Denise Kollert, Florence Resident, stated that she attended a program regarding Poe poems and one of his stories at the library, which she enjoyed very much.

Mr. Pete Koulouris, Florence Resident, stated that the sign code needs to be simplified and fair for all businesses so that they may advertise equitably.

### **MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Councilmember Hawkins, seconded by Councilmember Walter, and carried to adjourn to Merrill Ranch Community Facility District No. 1 Board.

### **Ordinance No. MR CFD1 111-14:**

Mr. Charles Montoya, District Manager, read Ordinance No. MR CFD1 111-14 by title only.

**AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.**

Mr. Mike Farina, District Treasurer, stated the ordinance is to levy the second property tax for the District. He stated that there is no change in the rate. The total levy rate is \$3.55 per \$100 of Net Assessed Valuation, which consists of \$3.25 for the repayment of GO Bonds issued to finance the cost of infrastructure improvements within the District. The \$0.30 is to fund maintenance of public improvements as well as administrative costs to operate the District. The \$3.25 tax rate levy will generate an estimated \$504,900 for debt service and an operations and maintenance levy of \$0.30 will generate an estimate \$46,600, for a total levy of \$551,500.00. The second reading will be on July 7, 2014, and adoption of the ordinance will be on July 21, 2014.

**MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Boardmember Woolridge, seconded by Boardmember Smith, and carried to adjourn from Merrill Ranch Community Facility District No. 1 Board.

**MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.**

On motion of Councilmember Woolridge, seconded by Councilmember Montaña, and carried to adjourn to Merrill Ranch Community Facility District No. 2 Board.

**Ordinance No. MRCFD2 210-14:**

Mr. Charles Montoya, District Manager, read Ordinance No. MRCFD2 210-14 by title only.

**AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.**

Mr. Mike Farina, District Treasurer, stated that there is no change in the rate. The total levy rate is \$3.55 per \$100 of Net Assessed Valuation, which consists of \$3.25 for the repayment of GO Bonds issued to finance the cost of infrastructure improvements within the District. The \$0.30 is to fund maintenance of public improvements as well as administrative costs to operate the District. The \$3.25 tax rate levy will generate an estimated \$476,900 for debt service and an operations and maintenance levy of \$0.30 will generate an estimate \$44,000, for a total levy of \$520,900. The second reading will be on July 7, 2014, and adoption of the ordinance will be on July 21, 2014.

**MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.**

On motion of Boardmember Woolridge, seconded by Boardmember Hawkins, and carried to adjourn from Merrill Ranch Community Facility District No. 2 Board.

## **PUBLIC HEARING AND PRESENTATIONS**

### **Presentation of the 2014 Arizona Governor's Heritage Preservation Award for the Chapel of the Gila to the Assumption of the Blessed Virgin Mary Parish.**

Ms. Bonnie Barriola stated since 1982 the Arizona Preservation Foundation and Arizona State Historic Preservation Office have partnered to present the Governor's Heritage Preservation Honor Awards. She gave a brief overview of the annual conference in which the awards were presented and stated that Florence was well represented.

Ms. Barriola stated that the Heritage Fund was established in 1991, and the Parish was awarded a grant for the rehabilitation of the Chapel with matching funds from the Diocese. Work was completed by 2001 and weekday masses were being held in the Chapel. She said additional work continued through 2002. Unfortunately, due to extreme weather conditions and drainage issues, massive repairs were done in 2012. She said additional rehabilitation has been done to the entire complex in the past two years with every room in the complex having a viable use. The Governor's Heritage Preservation Honor Awards recognize people, organizations, and projects that represent outstanding achievements in preserving Arizona's prehistoric and historic resources. The Assumption of the Blessed Virgin Mary was the recipient of one of the nine awards for 2014 for the rehabilitation of the Chapel of the Gila Complex. The nomination was submitted by the Florence Preservation Foundation.

Mayor Rankin presented the award to Wilbur and Delores Freeman, on behalf of the Assumption of Blessed Virgin Mary Parish.

### **Presentation by Greater Florence Chamber of Commerce recognizing the Business of the Month.**

Ms. Judy Hughes, Executive Director, Greater Florence Chamber of Commerce, recognized Mount Athos as the Business of the Month. She stated that George Koulouris, his wife Joanna, and son Peter opened the restaurant on January 17, 2005. She said since George's passing, Peter has become the owner and operator and his mother continues to cook. The restaurant is a popular eating establishment with locals and those out of town.

Mr. Peter Koulouris is actively involved with the Greater Florence Chamber of Commerce and serves as Vice-Chairman of the Board. The restaurant plans to offer delivery service in the near future and will be celebrating their 10 year anniversary in January.

Mr. Peter Koulouris thanked the Chamber and said it was an honor to be recognized and to be part of the community. They will be celebrating their 10 year anniversary in January and invited everyone to their celebration.

**Proclamation declaring July 2014 as Park and Recreation Month, in the Town of Florence, Arizona.**

Mr. Montoya read the proclamation for the record.

Mayor Rankin proclaimed July 2014 as Parks and Recreation Month in the Town of Florence. He said recreation is vital and the Town is moving forward with the recreation facility.

**CONSENT: All items indicated by an (\*) 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.**

**\*Resolution No. 1447-14:**

Mr. Charles Montoya, read Resolution No. 1447-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE SERVICE AGREEMENT BETWEEN SMARTWORKSPPLUS, INC., AND THE TOWN OF FLORENCE, EFFECTIVE JULY 1, 2014, FOR A FOUR-YEAR TERM.**

**\*Approval to hire Felix Construction to make repairs at the North Florence Wastewater Treatment Plant, in an amount not to exceed \$137,298.15.**

**\*Approval to hire Felix Construction to make repairs at the South Florence Wastewater Treatment Plant, in an amount not to exceed \$92,022.**

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

**NEW BUSINESS**

**Ordinance No. 611-14:**

Mr. Montoya read Ordinance No. 611-14 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING A LOCAL ALTERNATIVE EXPENDITURE LIMITATION FOR THE TOWN FOR THE FISCAL YEAR 2014-2015, AND DECLARING AN EMERGENCY.**

Mr. Mike Farina, Finance Director, stated that the ordinance is an emergency ordinance to adopt the Town's Expenditure Limitation for Fiscal Year 2014-2015. He said the Expenditure Limitation proposed for FY 2014-2015 is \$66,806,000 and is based on the tentative budget. He said the amount includes all of the expenditures presented to the Council and includes \$10,508,000 carried forward from the FY 2013-2014 to complete projects that were started in that year. The adoption of the Expenditure Limitation sets the maximum that can be spent in the fiscal year. Once the Expenditure Limitation has been adopted, the expenditures may only be decreased.

On motion of Councilmember Walter, seconded by Councilmember Montañó, and carried to adopt Ordinance No. 611-14, and declaring an emergency.

**First reading of Ordinance No. 612-14:**

Mr. Montoya read Ordinance No. 612-14 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF FLORENCE, SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>TH</sup> DAY OF JUNE 2015.**

Mr. Mike Farina, Finance Director, stated the ordinance levies a primary property tax annually. He said there is no increase in the property tax rate. The current property tax rate is \$1.1182 per \$100 of Net Assessed Valuation and will remain the same for FY 2014-2015.

As calculated by the Arizona Department of Revenue, the Truth-in-Taxation rate is \$1.1016, which is the maximum rate the Town can have without having to hold a Truth-in-Taxation ("TNT") hearing. Therefore, the Town must hold a TNT hearing. The public hearing for the Truth in Taxation Hearing will be held July 7, 2014. At the current rate of \$1.1182, the proposed property tax levy for the 2014-2015 year is \$852,740. The Town levies an ad valorem or secondary property tax for the Merrill Ranch Streetlight Improvement Districts No. 1, No. 2, and No. 3. This year, due to adequate fund balance, there will be no levy.

Mr. Farina said the second reading of the ordinance will be held on July 7, 2014. The request to adopt Ordinance No. 612-14 will be presented on July 21, 2014.

**Resolution No. 1448-14:**

Mr. Montoya read Resolution No. 1448-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA,  
ADOPTING THE TOWN OF FLORENCE CAPITAL IMPROVEMENT PROJECT PLAN  
(CIP) PROVIDING FOR SEPARABILITY.**

Mr. Mike Farina, Finance Director, stated that approving the resolution will adopt the 2015 - 2019 Capital Improvement Plan ("CIP"). The CIP represents a five-year plan that identifies future capital project needs in anticipation of future growth and provision of services. The CIP allows for updates for new capital projects, as well as changes to existing capital projects. The CIP is updated on an annual basis in conjunction with the annual budget process. This year's update of the proposed CIP includes changes that shift the time-frame of certain projects due to available funding and an update to the estimated project costs. The Town Council was presented a draft of the CIP at the April 23, 2014, budget work session.

Councilmember Walter inquired about the projects in future years that do not have funding assigned and what will happen to those projects.

Mr. Farina stated that it is the decision of the Council to decide. He said staff ensured that there was funding for the projects in FY 2014-2015 and funding for carry over for projects that may have started in FY 2014-2015 and 2015-2016. He explained the revenues were not based on projections in the past for CIPS. He explained how the CIPS are listed and the realities for the projects that are listed and funding. He said projects may need to be delayed if funding is not available.

Councilmember Walter inquired if other projects are going to be delayed due to the building of the aquatic center.

Mr. Montoya stated that 98% of the projects listed in the CIP will be completed and are already funded. He stated that the previous Council recommended the following projects in the CIP: new Town Hall for approximately \$13 million; new police station for approximately \$4 million; and a new community center for approximately \$2.2 million. He said staff will come before Council with new recommendations to push the projects out.

On motion of Councilmember Walter, seconded by Councilmember Celaya, and carried to adopt Resolution No. 1448-14.

**Resolution No. 1449-14:**

Mr. Montoya read Resolution No. 1449-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA,  
ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNT REQUIRED FOR THE  
PUBLIC EXPENSE FOR THE TOWN OF FLORENCE FOR FISCAL YEAR 2014-2015;  
ADOPTING A TENTATIVE ANNUAL BUDGET; SETTING FORTH THE RECEIPTS,  
EXPENDITURES AND THE AMOUNT PROPOSED TO BE EXPENDED FOR**

**VARIOUS PURPOSES; GIVING NOTICE OF THE TIME FOR PUBLIC HEARING FOR TAXPAYERS ON THE ADOPTION OF THE FINAL BUDGET; ADOPTING THE BUDGET IN ACCORDANCE WITH THE LOCAL EXPENDITURE LIMITATION ORDINANCE; AND DECLARING AN EMERGENCY.**

Mr. Mike Farina, Finance Director, stated that an initial draft was present to Council at the April 14, 2014 Work Session. Each of the changes have been discussed with Council at the following work sessions in which the Town Manager presented the budget: April 14, April 23 and May 14, 2014. The 2014-2015 compensation plan and the health insurance renewal were also discussed during these work sessions. The changes to this proposed tentative budget since the work sessions with Town Council include the following:

- Mid-year general compensation adjustment of 1% totaling \$56,500
- Library/Aquatics/Recreation facilities project (to be determined by Town Council):
  - Added \$280,000 for project management
  - Added \$1,000,000 in project revenue coming from the Construction Tax Fund
  - Added \$5,000,000 in project revenue from bond financing
  - Added \$100,000 debt issuance costs and \$90,000 debt service for new bonds
- Public Arts program - \$100,000
- Carry forward of 2013/2014 budget for continuing capital projects

Mr. Farina explained the various components of the budget. He said the total budget for the FY 2014-2015 year is \$66,806,000, and includes the \$10,508,000 carried over from FY 2013-2014. He said that excluding the carry-over, the budget amount is \$56,298,000 and is \$8,800,000 greater than the FY 2013-2014 budget. He said the difference is due to the capital projects and utilities and HURF Fund. He explained the beginning fund balance and projected ending fund balance and said the Town is doing very well financially. He said the Town is doing a plan draw down of \$31 million for capital projects.

Mr. Farina stated that State statutes require that the annual budget be prepared on forms developed by the Office of the Auditor General, Schedules A to E and G, and that a tentative budget be adopted by resolution. He said there will be a public hearing and adoption of the final budget on July 7, 2014.

Councilmember Walter inquired how much is funded for outside legal counsel.

Mr. Montoya stated that the cost for outside legal counsel is not only contained with the Legal budget. It also occurs and is listed in other places within the budget by department. He will provide a memorandum outlining the total fee amount for legal fees and identify the locations of where they are listed within the budget.

Councilmember Walter inquired about the salary and benefits of the Human Resource Director. She inquired about the increase.

Mr. Montoya stated that the increase is due to the Human Resources Director becoming a full time employee and the benefits associated with becoming an employee of the Town. Previously, he was contracted through Smartworks.

Councilmember Walter inquired if the Town is researching grants for the library and aquatic center. She also inquired why the Town is carrying a large fund balance for the Streetlight Improvement District.

Mr. Montoya stated that the Town is always seeking grant funding sources.

Mr. Farina stated that he cannot elaborate as to why the previous years' had a healthy fund balance in the Streets Improvement District; however, due to the current fund balance the levy will be 0 this year and next. There will not be a levy until such time that funds are needed to operate.

Councilmember Walter stated that salary and benefits are listed in the Merrill Ranch Community Facilities Districts 1 and 2 budgets, and inquired what they are for.

Mr. Farina stated that the salary and benefits are for the Grants and Assessment Manager.

Councilmember Hawkins stated that the budget identifies new windows to be installed in Fire Station 2, and inquired if that was correct.

Mr. Farina stated that it is a typographical error. New windows will be installed in Fire Station 1.

Mayor Rankin inquired what the fund balances will be for HURF.

Mr. Farina explained the fund balances and the guidelines and best practices used.

Mr. Montoya stated that funding has been decreased each year for the last five years. The fund balance has been used to complete projects that were previously approved by Council. He said no new projects were added. He said the ending funding balance will be approximately \$300,000. He said the funding may increase slightly this upcoming year. He said maintenance of roads will be funded from the General Fund.

Mayor Rankin expressed his concern with utilizing the HURF funds and drawing down the fund balance.

Discussion occurred on various HURF projects.

Mr. Wayne Costa, Public Works Director, provided an update on the budgeted projects.

Mayor Rankin would like a streetlight installed at Attaway and Hunt Highway or some type of lighting.

Discussion occurred on various line items within the proposed budget.

Discussion occurred on budgeted amounts for incarcerations, and fees within the budget.

On motion of Councilmember Montaña, seconded by Vice-Mayor Smith, and carried to adopt Resolution No. 1449-14, and declaring an emergency.

### **MANAGER'S REPORT**

Mr. Montoya stated that the budget is in a new format that is user-friendly. It is designed to make it easier for the community to understand what is in the budget. It is available at the Clerk's Office for public view and will be available on the website.

### **CALL TO THE PUBLIC**

Ms. Ruth Harrison, Florence Resident, stated that she would like the new facility to be for the Town and not the entire region. She asked that the \$100,000 that is budgeted for art for the Public Arts Program include arts programs as well.

### **CALL TO THE COUNCIL**

Councilmember Hawkins acknowledged the American Legion for putting up flags throughout Main Street during the various holidays.

Councilmember Walter invited everyone to the July 4<sup>th</sup> Freedom Festival events. She stated a shuttle service will be available from 3:00 pm – 8:00 pm. She asked if the shuttle service hours can be extended.

Councilmember Montano will not attend the June 18, 2014 Special Meeting.

Councilmember Celaya thanked the staff for the budget. He attended the Historic Preservation Conference and Florence was well represented. He thanked Ms. Bonnie Barriola for her contribution and representation of the Town at the conference. He would like to see if Florence can host the event.

Vice-Mayor Smith stated that the Chapel of Gila is the mother church for the Phoenix Diocese.

Mayor Rankin sent his condolences on behalf of the Council to the family of the boy who recently passed away.

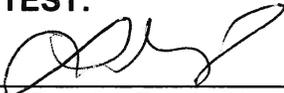
Mayor Rankin reminded the public that the Town will have a special meeting on June 18, 2014, for public input on the new facility. He thanked everyone for their contributions to the Little League.

**ADJOURNMENT**

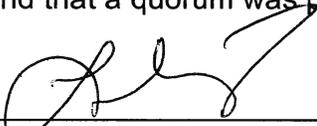
On motion of Councilmember Walter, seconded by Councilmember Hawkins, and carried to adjourn the meeting at 8:02 pm.

  
\_\_\_\_\_  
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 16, 2014, and that the meeting was duly called to order and that a quorum was present.

  
\_\_\_\_\_  
Lisa Garcia, Town Clerk