

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, JUNE 23, 2014, AT 6:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

**CALL TO ORDER:**

Mayor Rankin called the meeting to order at 6:03 pm.

**ROLL CALL:**

Present: Rankin, Smith, Hawkins, Montaña, Woolridge

Absent: Celaya, Walter

**CALL TO THE PUBLIC**

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

Mr. John Anderson, Florence Resident, stated that he is in favor of the project; however, he is concerned about the maintenance costs. He was unable to find anything on the operational costs of the pool. He said the park in Anthem's park is open on a limited basis due to operational costs.

**NEW BUSINESS**

**Discussion/Approval/Disapproval of authorizing the Town Manager to negotiate and enter into a contract for design-build construction services for the proposed Library/Recreation Center/Aquatic Complex with Low Mountain Construction for a cumulative amount not to exceed \$390,000 for pre-construction and Schematic Design Services.**

Mr. Charles Montoya, Town Manager, stated that Council was provided information on the proposed facility in a worksession along with the timeline for the project up to this point. The project is broken up into sections to allow for the design work of the facility so the Town doesn't lose any time and to allow Low Mountain to begin working more in detail with the Council, Boards, Commissions, and the public for the design of the facilities.

Councilmember Hawkins inquired who was on the selection committee.

Mr. Montoya stated that the following individuals were part of the selection committee:

Town Manager Charles Montoya, Assistant Town Manager Jess Knudson, Finance Director Mike Farina, Public Works Director Wayne Costa, Community Development Director Mark Eckhoff, Parks and Recreation Director Bryan Hughes, Library Director Rosemary Bebris, and Dan Bonow from Pulte.

Councilmember Hawkins inquired if anyone from the community was included.

Mr. Montoya stated that there were no members from the public on the committee.

Councilmember Hawkins inquired if staff has sought out estimates on maintenance costs from others with a like facility.

Mr. Montoya responded that staff has not sought out estimates on maintenance costs. They will not know what the costs will be until they have a definitive design. Part-time and seasonal staff will also be used to minimize the cost as well.

Councilmember Hawkins inquired if they will have several options to choose from.

Discussion occurred on the design process. Council, Boards, and Commissions will be provided each rendition of the project as it evolves to ensure that staff is going in the direction of the Council.

Discussion occurred on cost of the project, inclusive of costs for architects, and detailed documents of the project.

Councilmember Hawkins inquired if the project must be done in its entirety or can they choose different parts of the project to be done and do the remaining at a later time.

Mr. Montoya stated that there can be some modifications; however, it is staff's recommendation to use the impact fees and include them in the facility as a whole.

Councilmember Hawkins inquired if they could do the project without having to do a bond.

Mr. Montoya stated that the Town has the cash available; however, it is not his recommendation to do so because funding is inexpensive; and the Town is doing the project as a regional attraction, so people, other than the Town of Florence, will pay for it.

Councilmember Hawkins inquired what the interest and time frame would be for the bond.

Mr. Mark Reeder, Stifel, Nicolaus, and Co. Inc., stated that he is the Town's financial advisor with regards to the possible sale of bonds. He anticipates coming before the Council on July 21, 2014, for the sale of revenue bonds issued by the Town of Florence for approximately \$5,000,000. The debt will be amortized for 20 years. He anticipates

selling bonds with approximately 3% interest. He said it is a good time to borrow money at an attractive rate, which will keep the debt service payment as low as possible. He said they are currently working on the Town's credit rating.

Mayor Rankin inquired how the credit rating is established.

Mr. Reeder stated that four things are considered: budget, debt load, economy, and legal conveyance. He said the payment would be approximately \$390,000 annually.

Mayor Rankin inquired if the General Fund would be paying the annual payment.

Mr. Montoya explained funding. He said the Town currently does not have a bond rating, nor has it had one in 15+ years.

Mr. Reeder explained that they will have more information in the next few weeks.

Discussion occurred on the WIFA loan, which has an approximate balance of \$4.8 million remaining and Florence Gardens bond has a remaining balance of approximately \$337,000. He said there is an additional \$1.3 WIFA loan, which the Town has not drawn down from that money yet.

Discussion occurred on the South Wastewater Plant, capacity, design stage when you reach 80% capacity, which is where the plant currently is, and construction when you reach 90% capacity. The Town is approximately 150,000 – 200,000 gallons, or 800 homes, away from being at 90% capacity.

Mr. Wayne Costa, Public Works Director, stated that the Town would not change the infrastructure, but would change the process from a SBR plant to a MBR plant if they needed to extend the capacity, and explained the process.

Vice-Mayor Smith inquired what the cost is to move the dirt.

Mr. Montoya responded that the cost to move the dirt is approximately \$1,050,000.

Vice-Mayor Smith inquired if everything in the facility is needed within one year or if they can phase the project for a few years. He is concerned about the cost for the entire project.

Mr. Montoya explained the funding and explained that there is additional \$15 million if Council chooses to access those funds.

Mr. Mike Farina, Finance Director, stated that the Town has the funds to complete the projects, and they are budgeted for. There are also reserves available.

Councilmember Montaña inquired why the Town is looking at a design-build and not siemens (inaudible) or general contract.

Mr. Montoya explained why the Town chose to go with a design-build for the project, and stated that it is the most affordable.

Councilmember Montaña inquired if there will be Town staff working with the general contractor or a project manager.

Mr. Montoya explained that Jeff Swan, Swan Architects, will be the Project Manager, for the Town along with Town staff, which includes Wayne Costa, Bryan Hughes, Mark Eckhoff, and Rose Bebris.

Councilmember Montaña inquired if there will be a reduction in cost if they contractor falls behind schedule.

Mr. Montoya stated that would be a negotiated item that Mr. Swan is working on along with other savings within the proposal submitted by Low Mountain.

Mr. Mark Eckhoff, Community Development Director, explained items that need to be considered when considering scheduling.

Councilmember Montaña explained that there is sand in the area, and settling needs to be considered in the design-build.

Discussion occurred on the the multiple levels of protection with regards to this project with regards to compaction and the build- up.

Vice-Mayor Smith inquired if the Town Hall has had any issues with regards to compaction.

Mr. Costa explained that the he soil was put in place without any compaction on the site where the Town is planning to place the fuel facility. He said the Town will be doing five to six soil borings to test the loading of where the tanks are and where the road is going to be. A geotechnical report addressing the building loadings will be required, as identified in the contract.

Councilmember Hawkins stated that inquired about the tiling the ditch or canal between Heritage Park and the project.

Mr. Montoya stated there are several options including abandonment of the canal, including tile pipe.

Mr. Eckhoff stated that if the canal were to stay in place, they would consider putting the canal in a pipe underground in certain areas. He stated that they are considering different scenarios, including relocation of the canal as well.

Mr. Montoya explained the process to reach the 30% of the project.

Mayor Rankin stated that he would prefer to do the project in its entirety at one time.

Councilmember Hawkins requested that staff research the maintenance costs for the pool including water and electrical cost and provide the estimates to the Council.

Councilmember Woolridge stated that she would prefer the project be done in it's entirety and utilize bonding. She inquired if there is a penalty for early payoff of the bonds.

Mr. Montoya stated that Mr. Reeder is researching the cost for an earlier maturity.

Councilmember Hawkins inquired if they can utilize the Florence IDA for the bonds.

Mr. Montoya stated the Mr. Reeder, is researching the possibility of utilizing the Florence IDA and it is dependent on how the bonds are issued.

On motion of Councilmember Montaño, seconded by Councilmember Woolridge, and carried to authorize the Town Manager to negotiate and enter into a contract for design-build construction services for the proposed Library/Recreation Center/Aquatic Complex with Low Mountain Construction, for a cumulative amount not to exceed \$390,000 for pre-construction and Schematic Design Services.

### **CALL TO THE PUBLIC**

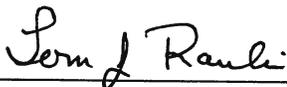
Ms. Denise Kollert, Florence Resident, thanked the Council for the first good step to a great project.

### **CALL TO THE COUNCIL**

Mayor Rankin stated that the Council is moving the community forward.

### **ADJOURNMENT**

On motion of Councilmember Montaño, seconded by Vice-Mayor Smith, and carried to adjourn the meeting at 6:42 pm.



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Tom J. Rankin, Mayor

**ATTEST:**

  
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Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on June 23, 2014, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk