

MINUTES OF THE FLORENCE TOWN COUNCIL SPECIAL MEETING HELD ON MONDAY, JULY 27, 2015, AT 6:00 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 6:02 pm

ROLL CALL:

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

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. Ruth Harrison, Florence resident, suggested that the public be involved earlier in the budgeting process to provide guidance in prioritizing projects. She stated that it has been a few years since the Town put out a survey to its residents and feels this type of information would be valuable in the budget process.

PLEDGE OF ALLEGIANCE

Mayor Rankin led the Pledge of Allegiance.

MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 BOARD.

On motion of Vice-Mayor Walter, seconded by Councilmember Guilin, and carried to adjourn to the Merrill Ranch Community Facility District No. 1 Board.

Ordinance No. MRCFD1 112-15:

Ms. Lisa Garcia, District Clerk read Ordinance No. 112-15 by title only.

AN ORDINANCE OF THE 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 \$100 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 2016, AND DECLARING AN EMERGENCY. (First reading on July 6, 2015 and second reading on July 13, 2015)

Boardmember Walter requested an itemization of the expenditures for the Merrill Ranch Communities Facility District No. 1 (CFD) and requested Ms. Marcia Goerdt, Interim District Finance Manager, to provide detail of the expenditures.

Ms. Goerdt stated that the budget primarily has funds being directed to pay off bonds; principal and interest along with professional services. She stated that there have not been any expenses for maintenance items.

Boardmember Walter inquired if there were maintenance items budgeted in the proposed budget and where could they be reviewed by the public.

Mr. Goerdt stated that the tentative budget sets aside funding for a new bond if needed for infrastructure improvements.

Boardmember Walter stated that she is concerned that the budget material for this action item is not included in the agenda packet and it would require a member of the public to research the item for reference material.

Boardmember Hawkins inquired if the budget was posted on the Town's website.

Ms. Lisa Garcia, District Clerk, stated that the budget is on the website for public viewing.

Boardmember Walter inquired if any staff positions are paid for out of the CFD.

Ms. Goerdt stated that there are allocations for staff time in the budget, and in this budget, there was a reduction in those allocations. She stated that the budget last year was \$21,500 and this year the budget is \$4,600 with a majority of those funds covering the cost for the Finance Assessment Specialist.

Boardmember Hawkins stated that it is his understanding that Town employees are conducting work on behalf of the CFD and as such the CFD pays for those services.

Mr. Garcia stated that a portion of Town employee wages are allocated to the CFD which is tracked by the Finance Director based on the work that is performed. She stated that the volume of work performed for the CFD is lessening resulting in a decrease in the anticipated budget line item. She inquired if Council would like an itemized listing of these charges in the next Council packet and moving forward.

Chairman Rankin inquired if there were any other maintenance items in the CFD other than the streets once they become the Town's responsibility.

Mr. Wayne Costa, Public Works Director, stated that once the one-year warranty period is completed, the CFD is responsible for the maintenance of the streets, curbs, gutters and sidewalks.

Chairman Rankin inquired who is responsible for repairs made during the warranty period.

Mr. Costa stated that the developer is responsible for all repair needs with regards to the streets, curbs, cutters and sidewalks until the one-year warranty expires. He stated that a few years ago the CFD did expend \$86,000 for street maintenance in Units 4 and 6 as the warranty period had expired.

Chairman Rankin inquired when was the CFD was developed.

Boardmember Walter stated it was established in 2006.

Chairman Rankin inquired how much revenue is collected annually for maintenance and operations of the CFD.

Ms. Garcia stated that it is estimated that \$50,900 will be collected based on the maintenance levy of \$0.30 per \$100 Net Assessed Value (NAV). She stated that the revenue will be applied to operational costs including bond payments and prioritized maintenance items.

Mr. Dan Bonow, Director of Entitlements with Pulte Homes, stated that full assessment for the CFD is \$3.55 per \$100 of NAV of which \$0.30 is ear-marked for operations and maintenance of the CFD and those funds can be used for street, curb, gutter and sidewalk maintenance if the Board chooses.

Ms. Garcia stated that she would be able to provide the Board a historical review of the operations and maintenance account later in the week if the Board would like her to do so.

Chairman Rankin inquired if any portion of the revenues that were collected for operations and maintenance utilized for maintenance projects.

Boardmember Guilin stated that there are two components of a CFD. The first component is the debt service which pays for the principle and interest payments of General Obligation Bonds and the Assessment Bonds. She said the second component takes care of the operations and maintenance of the CFD which includes incidentals such as audit expenses, wages, Pinal County fees for tax services and bond credit rating services.

Chairman Rankin asked that staff provide the Board with a breakdown of expenses for the CFD in their mailboxes. He inquired if any General Fund monies have been used to supplement the CFD.

Ms. Garcia stated that the CFD is a separate entity, and as such, Town funds are not used for CFD business.

Boardmember Guilin stated that the Town has never supplemented a CFD as they are self-sustaining.

Boardmember Hawkins stated that the Town will hold informational meetings in the near future in the CFD areas to provide an opportunity for all residents to understand how the CFD operates.

Mr. Bonow stated that two information sessions are being planned in the Anthem area to get the information out and educate the residents on the business of the CFDs.

On motion of Boardmember Guilin, seconded by Boardmember Woolridge, to adopt Ordinance No. MRCFD1 112-15.

Roll Call:

Boardmember Guilin: Yes

Boardmember Woolridge: Yes

Boardmember Anderson: Yes

Boardmember Wall: Yes

Boardmember Hawkins: Yes

Boardmember Walter: Yes

Chairman Rankin: Yes

Motion passed: Yes: 7; No: 0

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

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

MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 BOARD.

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

Ordinance No. MRCFD2 212-15:

Ms. Lisa Garcia, District Clerk read Ordinance No. 112-15 by title only.

AN ORDINANCE OF THE 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 \$100 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 2016, AND DECLARING AN EMERGENCY. (First reading on July 6, 2015 and second reading on July 13, 2015)

Boardmember Walter stated that she would like to see more accountability for the expenditures of the CFDs and provide its members with this information in one location allowing transparency.

Ms. Garcia stated that the information Boardmember Walter is requesting will be available moving forward for all Board meetings and for the informational meetings that are being scheduled in the month of October for the CFD residents.

On motion of Boardmember Hawkins, seconded by Boardmember Walter, to adopt Ordinance No. MRCFD2 212-15.

Roll Call:

Boardmember Hawkins: Yes
Boardmember Walter: Yes
Boardmember Wall: Yes
Boardmember Anderson: Yes
Boardmember Guilin: Yes
Boardmember Woolridge: Yes
Chairman Rankin: Yes

Motion passed: Yes: 7; No: 0

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

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

UNFINISHED BUSINESS

Ordinance No. 630-15:

Ms. Lisa Garcia, Interim Town Manager/Town Clerk read Ordinance No. 630-15 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 \$100 OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR

ENDING THE 30th DAY OF JUNE 2016, AND DECLARING AN EMERGENCY; and roll call vote to consider a motion to levy the increased property tax on July 27, 2015. (First reading on July 6, 2015 and second reading on July 13, 2015)

Vice-Mayor Walter stated that even though the levy rate is being proposed not to increase, property values have and as such, residents will see an increase in their tax bill. She stated that the residents in the CFD areas do pay this property tax along with the CFD tax and the Merrill Ranch Lighting Districts 1, 2 and 3. She stated that she has received inquiries as to what impact the new Aquatic Center and Library will have the NAV of their property. She requested staff to place information regarding the tax levy on the website. She requested that the tax base for the Town and the secondary tax base for Anthem be evaluated to ensure they are fair and equitable for all members of Florence.

Mayor Rankin stated that he does believe the tax base for the Town and the Anthem areas are fair and equitable and that the Town of Florence has one of the lowest tax bases in the region. He stated that Council has not raised the levy rate since the establishment of the CFDs but that tax bills have gone up as property values go up which is the goal of property ownership.

On motion of Councilmember Hawkins, seconded by Councilmember Guilin, to adopt Ordinance No. 630-15.

Roll Call:

Councilmember Hawkins: Yes
Councilmember Guilin: Yes
Councilmember Anderson: Yes
Councilmember Wall: Yes
Councilmember Woolridge: Yes
Councilmember Walter: Yes
Mayor Rankin: Yes

Motion passed: Yes: 7; No: 0

NEW BUSINESS

Public hearing on Annexation No. 2015-01, more commonly known as the Bonnybrooke Solar Plant Annexation, area encompasses a land area of approximately 312.97 acres. The subject area is generally bound by the Bonnybrooke Road alignment to the north, Padilla Road to the west, the Quail Run Road alignment to the east and existing irrigation canals and the CAP Canal to the south.

Ms. Garcia stated that due to a technical error, the request has been rescinded and will be brought back to Council at a later date.

Mr. Mark Eckhoff, Community Development Director, stated that the department is working on all aspects of the annexation request to ensure the process completes in the same time frame.

Discussion/Approval/Disapproval of entering into a contract with the City of Eloy for magistrate services through June 30, 2016, in an amount not to exceed \$42,000.

Ms. Garcia stated that the Town has negotiated with the City of Eloy to share magistrate services, working 2/3 of the week in the Eloy and 1/3 of the week in Florence covering bench and jury trials as well as handling prisoners on a daily basis. She stated that the Magistrate will also be available by phone to handle any questions or make any decisions or rulings.

Councilmember Anderson thanked Ms. Garcia for her work in negotiating this agreement as it does provide the Town with a cost savings and improves our services.

Vice-Mayor Walter stated that an IGA of this type is good for the Town and provides a saving to its citizens while not impacting services.

On motion of Councilmember Hawkins, seconded by Vice-Mayor Walter, and carried to approve entering into a contract with the City of Eloy for magistrate services through June 30, 2016, in an amount not to exceed \$42,000.

Discussion/Approval/Disapproval of authorizing the recruitment process for the position of Town Manager and setting a timeline.

Mr. Scott Barber, Human Resource Director, stated that in 2012, the Mayor and Council considered two proposals to conduct the last Town Manager recruitment; one from the League of Cities and Towns and one from the Mercer Group, an executive recruitment firm. He stated that staff is recommending the recruitment process be done in-house, providing job opening notifications to various posting sites. He stated that Council was presented with two timeline options, one with a more aggressive pace through the different hiring stages.

Mr. Barber stated that the Mayor and Council have the option to delay the process to some point in the future, and continue with the Deputy Town Manager/Town Clerk acting as interim Town Manager, or move to bring in someone from the outside the organization to fill the Town Manager role through a contract with a firm such as Interim Public Management.

Councilmember Anderson inquired as to how the posting of the job opening will occur.

Ms. Garcia stated that staff, based on the decision this evening by Council, will place job postings through various municipality organizations such as the League of Cities and Towns and the Arizona City and Managers Association.

Mr. Barber stated that there are several local and national sites that have posting services.

Vice-Mayor Walter inquired what the cost would be for the recruitment process through the League of Cities and Towns.

Mr. Barber stated the League's Director did reach out to him last week offering their services at which time he discussed the various plans with the Director and is confident that a cost negotiation would be comparable to that which was negotiated in 2012.

Vice-Mayor Walter stated that she would recommend either holding the position for a period of time or to utilize the services of the League of Cities and Towns. She stated that she believes holding the position would be appropriate at this time based on the \$90,000 severance agreement with the prior Town Manager and with the additional compensation to the Interim Town Manager. The current budget has limited contingency funds that may not have adequate funding for the Town to start the hiring process. She stated if the majority of Council would like to start the hiring process; she would recommend using the services of the League of Cities and Towns with an open till filled clause.

Ms. Garcia stated that if Council chooses to perform the recruitment process in-house, the only portion of the process that would change would be that staff would place the advertisement of the position with various organizations verses paying an outside source to do so. She stated once the applications are received, Council would be the ones to review all applications. She stated by having staff place the ads, collect the applications and forward them to Council, a cost savings would be experienced.

Ms. Garcia stated that four years ago she received a differential when she took on the additional responsibilities of being Deputy Town Manager. She stated has not and will not be receiving an additional differential while serving at the Interim Town Manager.

Vice-Mayor Walter inquired if Council would have an opportunity to review the Town Manager job description prior to it being released as she would like to have Council input prior to posting.

Ms. Garcia stated if Council would like to see the job description prior to posting, staff can provide that information to Council with the understanding that it will slow down the recruitment process.

Councilmember Hawkins inquired if the Town's job description for Town Manager is consistent with industry standards.

Councilmember Woolridge stated that she supports having staff place the advertisements, collect the resumes and provide them to Council. She said it will save the funds that would be spent if using the League of Cities and Towns.

Mayor Rankin stated that the job description is available upon request at Town Hall. He stated that he would like to see Council approve Option A as it provides more time to carefully select the right candidate and to be thorough in our selection process. He reminded Council that the selected candidate will most likely have to provide notice to their current employee which would push their start date to late December early January.

Councilmember Guilin stated that she has worked with staff that are highly qualified professionals knowledgeable in their fields and believes they will provide Council excellent support in the hiring process. She stated that she recommends option A as well, as it will provide the time needed to carefully and meticulously select the right candidate for the Town.

Councilmember Wall inquired if the Town provides traveling expenses for those candidates that currently live outside the State.

Mr. Barber stated that in the past, the Town has covered traveling expenses for candidates.

Vice-Mayor Walter stated that the Town did utilize technology to conduct interviews via Skype in an effort to save money.

Mayor Rankin stated that he believes it is beneficial to have face-to-face communication during an interview as body language and a person's demeanor is very important.

On motion of Councilmember Anderson, seconded by Councilmember Hawkins, and carried to authorize the recruitment process for the position of Town Manager using Option A with the search to be nationwide and to stay open until filled.

Discussion/Approval/Disapproval of using the Budget Committee's approach to the Fiscal Year 2015/2016 formation of the budget.

Ms. Garcia stated that staff is starting to work on the next fiscal year budget process and is asking Council if they would like to use the Budget Committee approach to format the Fiscal Year 2015/2016 budget or to have a manager's budget that would come to Council for adoption.

Mayor Rankin stated that he believes the committee approach is a good way to develop the budget as the Town has been using this process since 2008. He stated that the committee process allows various members of staff and Council to see how the budget is put together and provides a well vetted document to Council to review and fine-tune before its adoption.

Vice-Mayor Walter stated that in 2012 Council was much more involved in the process at an early point allowing for bigger changes than what has been afforded to Council since that time. She stated that her concerns year after year go unaddressed. She is

concerned that a decision to utilize a committee for the next fiscal year has already been decided. She stated that she would like to see more citizen and Council participation in the process and would like to be considered for serving on the Budget Committee for the upcoming fiscal year.

Ms. Garcia stated that the process that was utilized for this fiscal year budget is not what staff intends to proceed with in the future. She stated that staff is starting with the CIP process working backwards into the operating budget. She stated that staff intends to bring sections of the budget to Council to review, have updates throughout the budget process and develop a budget calendar that will show what steps must be completed before we get to the final budget review. She stated that the calendar will also include the expenditure limitation election.

Councilmember Hawkins stated that the process that Ms. Garcia explained is how the Town used to develop a budget and it has always worked. He stated that Council is always open and transparent and does not believe there has been a time that it has not been.

Ms. Garcia stated that with a new Finance Director joining staff, they will bring new ideas and help develop and expand our budgeting practices and policies for the better and staff is looking forward to those opportunities.

Councilmember Hawkins stated Councilmember Guilin should be on the Budget Committee as she was the Finance Director for many years. She knows how to maneuver through the various operations of the Town and is more than qualified to assist in bringing the budget back in line.

Mayor Rankin stated that he made the recommendation to have Councilmember Guilin on Budget Committee as she can assist the new incoming Finance Director with the nuances of the budget and within the Finance Department.

Councilmember Anderson stated that he enjoyed being on the Budget Committee last year and truly enjoyed learning how the budget is developed. Councilmember Guilin was of great assistance in educating him on various topics. He stated that he has spoken with Ms. Garcia regarding the budgeting process and has confidence that going forward the process will allow for more citizen involvement and a greater amount of transparency.

On motion of Councilmember Woolridge, seconded by Councilmember Hawkins, and carried to approve using the Budget Committee's approach of the Fiscal Year 2015/2016 formation of the budget.

Mayor's appointment of Fiscal Year 2015/2016 Budget Committee (2 members of Council).

Mayor Rankin appointed Councilmember Guilin and Councilmember Wall to participate on the Budget Committee for Fiscal Year 2015/2016.

CALL TO THE PUBLIC

There were no comments.

CALL TO THE COUNCIL

Councilmember Anderson stated that he would like to see changes to the budget policy.

Councilmember Guilin stated that she would like to make a clarification regarding a statement she made about the portion of dependent insurance the Town actually pays. She stated that the employee pays 22% of the costs and the Town pays 78% of the cost.

Councilmember Wall thanked Councilmember Guilin and Councilmember Anderson for their work on the Budget Committee this year and looks forward to participating on the Committee for next fiscal year. She stated that it may not be known that she has an extensive financial background, is detail oriented and is used to crunching numbers.

Vice-Mayor Walter stated that she is concerned with recent hiring practices and would like to have clarification how recent positions were filled in relation to the hiring policy of the Town. She requested to have an Executive Session to discuss Council conduct.

Councilmember Hawkins stated that the Town Manager approves all employees who are hired to work for the Town. He stated that Council only hires the Town Manager, the Town Clerk and the Town Magistrate.

Mayor Rankin stated that he always puts the best interest of the Town ahead of anything else and believes that Council and staff do the same.

ADJOURN TO EXECUTIVE SESSION

An Executive Session will be held during the Special Council Meeting for legal matters pursuant to A.R.S. Section 38-431.03(A)(3) and (4) as follows: For the purpose of discussion and consultation with the Town's attorneys for legal advice and to consider the Town's position and instruct its attorneys in regard to pending consolidated litigation: Hollins v. Town of Florence, et al; Pinal County Superior Court Case No. CV2014-02265/02266; Dantico v. Town of Florence, et al; Pinal County Superior Court Case No. CV2014-02327.

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

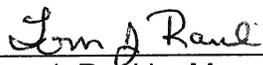
ADJOURN FROM EXECUTIVE SESSION

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

ADJOURNMENT

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

On motion of Vice-Mayor Walter, seconded by Councilmember Woolridge, and carried to adjourn the meeting at 8:30 pm.

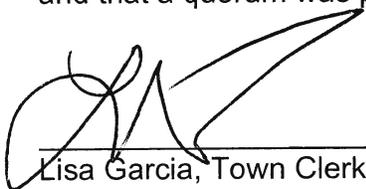


Tom J. Rankin, Mayor

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 July 27, 2015, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk