

**Minutes of the Town of Florence Council Meeting held on Tuesday, February 16, 2016, at 6:00 p.m., in the Florence Town Council Chambers, located at 775 N. 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, Anderson, Wall.

Absent: Guilin

## **MOMENT OF SILENCE DEDICATED TO POLICE SERGEANT SAMUEL P. PANKEY**

Mayor Rankin asked for a moment of silence, dedicated to Sergeant Sam Pankey, and to remember all that he did for our community.

## **PLEDGE OF ALLEGIANCE**

Mayor Rankin led the Pledge of Allegiance.

## **CALL TO THE PUBLIC**

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

Mr. Jim Tchida, Florence Resident, discussed the strategic intent and strategic plan. He stated that the 150<sup>th</sup> Year Birthday Celebration was celebrated this Saturday and the celebration will continue throughout the year. He discussed the following:

- The importance of the Town's historical heritage
- The SWOT analysis on the Town that he completed
- Budget
- Community asset mapping
- Small town economic development
- Historic preservation

Mr. Tchida stated a strategic intent for Florence is missing and provided a copy of the definition of what a strategic intent is to the Council. He also read the meaning, in part, for the Council.

## **PUBLIC HEARING AND PRESENTATIONS**

**Public Hearing to receive public comment on Floodplain Management Regulations for the Town of Florence and First Reading of Ordinance No. 645-16.**

**Resolution No. 1575-16:**

Ms. Lisa Garcia, Deputy Town Manager, read Resolution No. 1575-16, by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD A CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "FLOODPLAIN MANAGEMENT REGULATIONS FOR THE TOWN OF FLORENCE, ARIZONA", DATED MARCH 2016.**

**Ordinance No. 645-16:**

Ms. Lisa Garcia, read Ordinance No. 645-16, by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING SECTION 151.01 NATIONAL FLOOD INSURANCE PROGRAM UNDER CHAPTER 151 FLOODPLAIN REGULATIONS AND WITHIN THE LAND USAGE SECTION (TITLE XV) OF THE TOWN OF FLORENCE CODE OF ORDINANCES.**

Mayor Rankin opened the public hearing. Mayor Rankin closed the public hearing.

**Resolution No. 1576-16**

Ms. Lisa Garcia, read Resolution No. 1576-16, by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING REVISED FEES ASSOCIATED WITH THE UPDATED FLOODPLAIN MANAGEMENT REGULATIONS FOR THE TOWN OF FLORENCE, ARIZONA, DATED MARCH 2016, AND INCORPORATING STATED COMPREHENSIVE LIST OF ADMINISTRATIVE FEES INTO THE TOWN OF FLORENCE SCHEDULE OF FEES.**

Mr. Mark Eckhoff, Community Development Director, discussed the above three items as one separate item as they all relate to one another. He stated that the Town is adopting revised floodplain management regulations along with the fees that go with the regulations. He stated the process requires three parts:

1. A resolution that will make the regulations a public document. He stated the entire document is not inserted into the Town Code and is adopted by reference.
2. Fees that go with the regulations
3. The ordinance that references the regulations into the Town Code.

Mr. Eckhoff stated that the Town has been their own authority for the floodplain community. He stated, in the past, Pinal County has assisted the Town with those duties. He stated Florence took the duties over, the duties then reverted back to Pinal County, and then the Town took over them again. He stated that the Town has decided it is in the Town's best interest if the Town performs the floodplain management itself.

Mr. Eckhoff stated that in 2006, the Town adopted Pinal County's entire regulations for flood management. In 2015, the Town had a visit from Arizona Department of Water Resources

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(ADWR), who was acting as a representative for Federal Emergency Management Association (FEMA), who wanted to ensure the following:

- The Town was conforming to set regulations
- No new structures were being built in the floodplain
- Not creating any flood hazards

Mr. Eckhoff stated that the Town was in compliance; however, they indicated that the Town needed to create their own regulations and not utilize Pinal County's regulations. ADWR was working on their model regulations and since their model regulations are used by most communities throughout the State, Florence was able to use those regulations with minor modifications. The Town Manager, Town Attorney and Public Works Director have reviewed the regulations.

Mr. Eckhoff stated that the resolutions are for information only and will be presented to Council at the March 7, 2016 Council meeting for consideration, along with the second reading and possible adoption of Ordinance No. 645-16. He stated staff is requesting that Council conduct a public hearing and first reading of Ordinance No. 645-16 at tonight's meeting.

Mr. Brent Billingsley, Town Manager, stated that the Town of Florence belongs to the National Flood Insurance Program (NFIP). The Town must belong to the NFIP in order to provide flood insurance to its residents. One of the requirements is that the Town has a floodplain ordinance and administer to that floodplain ordinance to a minimum standard. The minimal standard changes based on federal law. It is important to update the Town Code to reflect the latest state-provided ordinance. The Town is also working with ADWR to provide a document that meets the minimum standards and the Town is in compliance so residents can obtain insurance.

Councilmember Anderson inquired if the Town has maps that indicate where the floodplains are.

Mr. Billingsley stated the Florence maps, called Digital Flood Insurance Rate (DIFR) maps, are available online at the FEMA website. The maps are only updated as the federal budget allows and may be prior to when the Anthem area was constructed. He stated this does not mean that that they have not been updated through the Letter of Map Revision Letter of Map Revision (LOMR ) process.

Mr. Eckhoff stated that the floodplain maps have been included into the Town's GIS system. He outlined the areas that have been addressed.

Mayor Rankin inquired how the floodplains affect the projects north of Florence, specifically, Territory Square.

Mr. Eckhoff stated that the process will not impact the Territory Square area.

Mayor Rankin discussed the flood dike that was installed in the mid-1950s and how the homes on the east side of Town were flooded prior to the flood dike being installed. He inquired if this process will affect that area.

Mr. Eckhoff stated that no properties were being changed. The Town is providing the regulatory framework for when properties are deemed to be in the flood hazard area and how those

situations can be mitigated or prevented from happening in the future. He stated that this process does not change the maps.

Mayor Rankin inquired about the London property being in the floodplain.

Mr. Eckhoff stated that the majority of the London property is within the floodplain. A good percentage of the property can be removed from the floodplain by adding fill to the property.

Councilmember Wall stated in the last few years the Magma Flood Control District has imposed significant taxation on residents in Anthem. She inquired when fees are referred to as part of the amended plan, how does this interface with taxation.

Mr. Eckhoff stated that the Magma Flood Control District is a separate flood control district and is outside of what the Town of Florence can have control over. The Town's fees are for regulating the floodplain within the Town of Florence and for work that the Town does or that private parties apply to do.

Discussion occurred on fees and who is responsible to pay for the fees for specific parcels of properties.

Mr. Eckhoff stated the primary goal for the regulations is to prevent developments from occurring within the floodplain and not changing the floodplain where it is not necessary to change it. When there is a reasonable plan to modify the floodplain; the applicant would propose the engineering plans to changes the washes to mitigate the situation and staff would work with them to get the plans approved by FEMA.

Mr. Billingsley explained that the regulations are standards by which the Town is required by the federal and state government to administer the floodplain. The documents set the protocol for someone wanting to build within the floodplain, sets the process of what needs to be submitted, when you have to submit it, who you have to submit the plans to and what the costs will be. He stated that the Town does not serve the role to approve the actual permit. Approvals can only be given by FEMA; however, the Town is still required to do a certain level of engineering review and compliance review with the Town Code. He stated the Town signs off on the application before it is forwarded to FEMA.

Mr. Billingsley explained what a Conditional Letter of Map Revision (CLOMR) and Letter of Map Revision (LOMR), which are both typically multiple year projects, require significant dollars in engineering. He discussed standard map revisions, elevation certificates as well as things that may need to be permitted and which items are included in the fee schedule.

Mayor Rankin inquired about the sand and gravel pits that are outside of the municipal boundary.

Mr. Billingsley stated that they would need to work with their floodplain administrator, which is Pinal County. He stated the lines of communication are very good with Pinal County and they also have regional meetings. He stated the Town has significant working relationship with Pinal County.

Discussion occurred regarding the sand and gravel pit within near proximity in Florence.

Mayor Rankin opened the public hearing.

Ms. Ruth Harrison, Florence Resident, inquired if anyone has seen pictures of the Florence floods in 1983 and 1993 in which the water ran the width of the floodplain. She stated her fears are that a huge flood will come and hit the four foot rise of the community center and continue on to Main Street and take out much of what is on Main Street.

Mayor Rankin asked staff work with the Corp. of Engineers to get the river channeled from Florence to Attaway Road if the Town adopts the Floodplain Management Regulations. He stated removing the overgrowth in the river will mitigate flooding.

Mayor Rankin closed the public hearing.

#### **Retirement Award to Florence K-9 Marco for 5 years and 8 months of dedicated service.**

Ms. Lisa Garcia stated that this item will be moved to the March 7, 2016 Town Council meeting because Marco's partner, Officer Ballard, was not able to attend tonight. She stated it is very important that they receive the award together.

#### **Presentation of the 2015 Annual Report from the Greater Florence Chamber of Commerce.**

Ms. Jennifer Evans, introduced Ms. Beth Beatty, Greater Florence Chamber of Commerce President, and Ms. Jessica Moore, Interim Executive Director, Greater Florence Chamber of Commerce.

Ms. Beth Beatty, Greater Florence Chamber of Commerce President, presented the 2015 Annual Report from the Greater Florence Chamber of Commerce. She stated the following accomplishments for 2015:

- Business of the Months were done each month for 2015
- Chamber luncheons with speakers were done each month for 2015
- Had 96 ribbon cuttings in 2015 for businesses that have joined the Chamber.
- Using social media and weekly email newsletter for marketing Chamber and Town events
- Had two special events: Casino Night and 1<sup>st</sup> Annual Chamber Challenge Golf Tournament
- Visitor Center and McFarland Park
  - 8915 visitors in 2015
  - Added Arizona Workforce Access point at the Visitor Center
  - Gift store has added ACI items which has significantly increased sales
- Detailed Financial Reports were submitted
- Analysis of special events was submitted
- Chamber has 239 paid members
  - 118 new members for 2015
- Goals for 2016
  - Emphasis on membership growth

- Increase membership satisfaction and retention

Councilmember Wall inquired about the amount of members inside the Town limits versus those that are located outside of the Town limits.

Ms. Beatty stated that she will forward that requested information to Council.

Mayor Rankin asked that the Council be provided a listing of the Florence businesses that are members of the Chamber. He stated that notifications to the Council regarding ribbon cuttings are not being provided. He asked for communication to improve as well as the Chamber becoming more involved in the Town's 150<sup>th</sup> Birthday celebration.

Ms. Beatty stated that a Second Chance Prom event is a new event that the Chamber will be hosting in April or May.

**Presentation by the Greater Florence Chamber of Commerce recognizing Valentino's Eatery, as the Business of the Month.**

Ms. Jessica Moore, Executive Director, Chamber of Commerce, presented Valentino's with a plaque in honor of them being selected as Business of the Month.

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

**Approval of a Vehicular Field Training Agreement between the Town of Florence Fire Department and the Arizona Academy of Emergency Services for education and training for students to become certified emergency medical technicians/paramedic by the Arizona Department of Health Services.**

**Approval of the Pinal County Mounted Posse's application for their Special Event Liquor License application to the Arizona Department of Liquor Licenses and Control for The Road to Country Thunder event to be held on April 2, 2016.**

**Approval of the January 4 and January 19, 2016 Council minutes.**

**Receive and file the following board and commission minutes:**

**October 28, 2015 Historic District Advisory Commission minutes.**

On motion of Councilmember Anderson, seconded by Vice-Mayor Walter, and carried to approve the consent agenda, as written.

**NEW BUSINESS**

**Discussion/Approval/Disapproval of entering into a Professional Service Contract with EUSI, LLC, and assigning Task Order 1, for Public Works Management Support and Consulting services.**

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Mr. Billingsley stated that with the retirement of Wayne Costa, Public Works Director, the Town has advertised for the Public Works Director position. In order to fill the gap between the retirement of Mr. Costa and his replacement, Mr. Jess Knudson, Assistant Town Manager, has been assigned as Administrative Manager over the Public Works Department. He also asked for Council's authorization to approve entering a Professional Service Contract with EUSI, LLC. Mr. Paul Hendricks, EUSI, LLC, would perform the following: serve as technical advisor to assist Mr. Knudson, assess the department, its organizational structure and how projects are handled.

Mr. Billingsley provided a brief overview of Mr. Paul Hendricks's qualifications. He stated that Mr. Hendricks ran all of the sewer plants in Detroit, Michigan. He then ran the sewer treatment plants for Phoenix, Arizona, and owned some consulting firms. EUSI, LLC is owned by his son, Chris Hendricks. Mr. Hendricks is a past Public Works Director, is very astute in the various administrative functions with regards to public works as well as the oversight provided to the Town of Florence by the state and federal government. They will provide an invaluable service to the Town with respects to the Public Works Department.

Councilmember Walter inquired about Exhibit A, as outlined in the proposed contract.

Mr. Billingsley stated that Exhibit A is a generalized scope of services that references general functions that EUSI, LLC, will serve for the Town as well as certain activities that they will perform.

Vice-Mayor Walter stated that she understands the specialty area for EUSI, LLC, to be in wastewater. She inquired if EUSI, LLC, will review other infrastructures such as streets and sanitation because those are also areas of concern within the Town.

Mr. Billingsley stated that EUSI, LLC, will conduct an analysis of the department as a whole for the first few months. This will include the organizational structure, its deficiencies and opportunities for success. He stated they will look at things from both an operationally and organizationally stand point. He stated he will provide the roadmap forward for the department to ensure that the department is organized and staffed properly.

Vice-Mayor Walter asked the EUSI, LLC, continue to work with Mr. Billingsley with regard to trash debris, and roadway issues throughout Town.

Mr. Billingsley stated that Mr. Knudson will address the day-to-day operations, and the debris and roadway issues. He stated the Town currently has a consent order and multiple notices of violations in which Mr. Hendricks is assisting the Town with.

Mayor Rankin inquired which funding sources will be used to pay for the services that EUSI, LLC, will provide.

Mr. Billingsley stated that the water, wastewater, and Highway User Revenue Fund (HURF), funds will be used to pay for the services provided. He stated there are two parts to the agreement: technical advisory and ongoing support, if needed. He stated the amount has been carefully targeted to the equivalent of what the past director was paid on a monthly basis.

Mayor Rankin inquired if the Town has opened the position for recruitment and if so, when does it close.

Mr. Scott Barber, Human Resources Director, stated that the position has a first review date in approximately two weeks. A review will be conducted of the applicants received, and they will continue to receive applications which allow the Town to have the recruitment ongoing and establish a point in time to evaluate the applications received.

Mayor Rankin inquired if Mr. Hendricks will assist with the review of the applications.

Mr. Billingsley stated that Mr. Hendricks can assist if it makes fiscal sense. He pointed out that there was a change to the contract from what was included in the packet and that a handout was provided to Council this evening.

Mr. Clifford Mattice, Town Attorney, stated that the changes included the duration of the task order and the type of insurance Mr. Hendricks will provide. He stated the overall contract is for one year but does not necessarily mean that the services will be used for the entire duration. He stated that with regards to insurance, scheduled pricing will be done for each task order, if there are other task orders than what is listed.

Vice-Mayor Walter inquired if there is still an existing line item in the sanitation budget.

Mr. Billingsley stated that the line item still exists.

Ms. Garcia stated that the monies that are available in the budget were the monies that were collected from the Town of Florence. The Town added some attachments to the Right Away Disposal (RAD) Agreement to allow citizens to dispose of their debris at the transfer station.

On motion of Councilmember Hawkins, seconded by Vice-Mayor Walter, and carried to approve entering into a Professional Service Contract with EUSI, LLC, and assigning Task Order 1, for Public Works Management Support and Consulting services.

### **Discussion/Approval Disapproval of the 2015-2016 Target Budget.**

Mr. Billingsley stated the presentation is on the existing Fiscal Year 2015-2016 budget. A budget calendar is available online which advertises the series of public hearings and discussions with respect to the adoption of the upcoming Fiscal Year 2016-2017 budget.

Mr. Billingsley stated the Town has run on a deficit budget. He stated the expenditures exceed the revenues by approximately \$1.2 million. He stated the Town has a balanced budget; however, it is using its savings for the shortfall. He stated one of the first things he did when he arrived to the Town was to determine what could be done to decrease the amount of the shortfall. He stated it would be impossible to decrease the amount without changing how the Town does business. He stated he is recommending setting a target amount of \$500,000 with key reductions to the existing budget so that they can carry the changes to the upcoming budget but make a large enough dent in the next few years to completely eliminate the need for deficit spending. He stated the Town will have severe financial problems two years from now if the

Town continues to spend as it is currently doing. He stated the presentation is about making strategic reductions to increase the health of the budget. He outlined what the revenues, budgeted expenditures and actual expenditures were for the last six years. The expenditures have gone up considerably for the last six years and the Town is spending all that has been budgeted.

Mr. Billingsley's presentation focused on the following:

- How to reduce the expenditures
  - o Defer capital projects
    - Remove projects from Capital Improvement Program (CIP)
      - Staff moved all projects by one year
        - o Pulled back items that the Town is required to do
          - Per Legal reasons
          - Per contractual requirement with an entity
          - Per collection of development impact fees
          - Any projects that have been deemed special priority project that must be completed such as health, safety and welfare perspective
  - Eliminate non-essential services
  - Freeze non-essential positions
    - Eight positions have been frozen, with a potential for a ninth position
  - Doing its best to reduce professional services

Mr. Billingsley stated that the reductions have reduced the CIPs from approximately \$16 million to approximately \$5.6 million. He stated there is money budgeted to update the utility rate study for water and wastewater; however, staff is recommending that the update to the rate study be moved to next year. The Council adopted deferring an increase to water and wastewater. Upon review of the study, it is determined that some of the projects have been completed and others that are directly tied to those increases in the study have not been completed. He stated it would be best to hold off until the Town is fully ready to move forward, and can afford to do the update and the rate increases that may come from the update to the study.

Mr. Billingsley stated that the Town has a number of contracts that the Town has which help with building inspection, plan review, enforcement, and fire marshal service. The Town is currently working to use Intergovernmental Agreements with other governmental entities to assist with those services instead of paying a consultant.

Mayor Rankin inquired what non-essential services are being requested to be eliminated.

Mr. Billingsley stated that there are no services being requested to be eliminated at this time. He stated the Budget Committee was provided a listing of ways to enhance the revenues, reduce expenditures and ways the Town can change the way it does business. The Committee went through the list and provided staff the task of providing technical papers on the items that they wanted further information. He stated the information was provided to the Committee, and they are requesting more information. At this time, staff is conducting further research and will provide more information to the Committee. He stated, as of today, there are no proposals to eliminate anything.

Mayor Rankin stated it is his understanding that postponing the rate study will only result in a higher increase than what it would be if the increase were done now. He asked if this is correct.

Mr. Billingsley stated that Ms. Garcia will provide a presentation later in the meeting, and that issue will be addressed at that time.

Mr. Billingsley stated that ways to generate revenue include:

- Vacant Property Assessment to encourage people to not have vacant properties
- Auction to Sell Surplus Property
  - o In the planning stages to conduct auction
- Review Fee Schedule (Missing/Low Fees)
  - o Reviewing Fees, Rates, or Taxes does not equal automatic increase
- Evaluate Services
  - o Hire Grants Writer – may offset salaries
- Rates Water/Sewer
  - o Recommendation to defer new study to Fiscal Year 2016/2017
  - o Recommendation to not increase rates in Fiscal Year 2015/2016
    - Old study may be outdated
    - Projects need to be closely evaluated
    - Assumptions that were used in the past need to be looked at closer

Mr. Billingsley stated that the Committee is looking at ways to change the way the Town conducts business, which includes:

- Review minimum staffing level
- IGA with other communities to share costs (Example: Eloy – Magistrate \$27,981)
- Add to the volunteer work force
  - o Had 140 volunteers assist with the Home Tour event
- Regional Dispatch
  - o Town serves as a Regional Dispatch (currently doing with Superior)
  - o Join with others to dispatch in a more efficient and effective way
- Reduce Hours of Operation
- Review Budget Policies concerning one time revenues
  - o Temporary Adjustment (3 Fiscal Years)

Mr. Billingsley discussed possible reductions, which includes:

- Defer Capital Projects not started
- Reduce Professional Service Contracts
- Eight frozen positions
  - o Administration, Community Development, Finance, Fire, Library, Parks & Recreation, Police, Public Works
  - o Update Projections
- Benefits review projections
- Line item adjustments
  - o Reviewed three year trends and compared it to the first six months in Fiscal Year 2015/2016
  - o Met with department heads and reduced line items in each department
  - o Total reductions equated to \$264,000

Mr. Billingsley stated that the enterprise funds and HURF funds do not go into the General Fund reductions; however, their budgets were reduced as well. He stated the Budget Committee has met their target and the budget has been reduced by \$500,000. He stated the closer the reductions equate to \$1.2 million for this year, the better the Town will be in the upcoming year.

Councilmember Anderson inquired how the reduction equates to \$500,000 when the line items have only been reduced by \$264,000.

Mr. Billingsley explained that the line item adjustments are only one component of the \$500,000. He stated you also need to factor in the frozen positions, CIP changes that deferred projects, and the re-projections of the revenues and expenditures. The Committee did not want to affect the employees or their benefits, nor affect the programs that are provided to our citizens.

Councilmember Woolridge thanked the Committee for being fiscally responsible, and is proud of the employees.

Vice-Mayor Walter stated that she would like the Council, as a whole, to meet with the Budget Committee to get their insight as well as to share other areas that the Council would like to be reviewed.

**Discussion/Approval/Disapproval on rate increases programed in the Water and Wastewater and Long-Term Financial Plan adopted February 2012, effective July 1, 2016.**

Ms. Garcia spoke to the Council on behalf of the Budget Committee, and stated that the Council needs to make a decision whether to increase rates or not. Whenever rates are increased, Council must adopt a Notice of Intent to increase rates and must notice the public. She stated that Council has been provided a Calendar of Events in their agenda packets. She stated if Council chooses to increase rates, the Notice of Intent must be adopted at the March 7, 2016 Town Council meeting.

Ms. Garcia explained how the rates are adopted. She stated a consultant is hired and reviews the work that the Town is doing, its operations, capital outlay and the debt for specific utilities. They create the perfect rate for operating that specific utility. The Budget Committee reviewed the old rate study that was adopted in 2012 and noted that it had not proceeded with completing a lot of the projects outlined in the rate study. The Budget Committee wants to ensure that the capital improvements are being completed and the items that are outlined in the rate study are being done. Staff is requesting to review both systems, outline the work that needs to be done and ensure that the Town is moving forward in the direction of 2010 and 2012 rate studies. She stated once the Public Works audit is completed, staff will be able to create a schedule and determine whether or not to move forward with the rate study. She stated it is the Budget Committee's recommendation to Council to not increase rates and not move forward with the five year plan to continue the increases and to defer this item to a new rate study.

Mayor Rankin stated that the Town has not had increases in three years, according to the schedule.

Ms. Garcia stated that an increase was done in 2012, 2013 and 2014. She stated Council elected to not do an increase in 2015, which was right before the election. She stated the funds

are healthy and the monies are available to cover the current expenses. She stated a short-term and long-term schedule of projects needs to be completed so that it can be incorporated within the rate study.

Mr. Billingsley stated that a key component is that there is a change in leadership, the records and projects are being audited, and there are some regulatory items with the State that need to be resolved. He stated a lot has changed since 2012, including priorities. He stated some of the challenges that we now have, we did not have at that time, or they weren't fully understood at that time. He stated the thought process is that there are some savings in both water and wastewater accounts. Staff needs to take a serious look at the regulatory challenges and the projects that need to be completed. He stated the projects need to be in line with where the State stated the projects need to be.

Mr. Billingsley stated that reviewing the rates is a two phase process. They review the previous years' financial audits and determine, from a financial standpoint, if the Town is able to operate the utilities in the black. The second phase is to determine if the Town has the capacity to provide the projects that the Town needs to do to stay in compliance to provide a high level of service to its customers. The Town is currently challenged because there is a list of projects that are not necessarily aligned with the Town's needs. It is hard to justify raising rates for projects that the Town may not need to do. Once the evaluation is complete, the Town may end up with projects that are less or more expensive than what was projected in 2012.

Councilmember Hawkins stated that he agrees with what is being proposed.

Mayor Rankin stated that he is concerned that rates may be dramatically increased later if they hold off on raising the rates right now.

Councilmember Hawkins stated that it is unknown what the rates should be until after the review is completed.

Councilmember Anderson stated that it is his understanding is that there are unknowns and until a review is done, the rate increase is on hold.

Ms. Garcia stated that there are two direction in which Council can decide to go. The Council can either move forward and adopt the fees per the current fee schedule as well as the Notice of Intent to increase fees; or Council reviews the projects and programs that need to be incorporated into the study to ensure that that the Town is aligning the rates to the services. Staff and the Budget Committee are both recommending that a review be done.

Councilmember Woolridge stated that it is a logical process so long as the Town has the funds needed to continue with the operations.

On motion of Councilmember Woolridge, seconded by Vice-Mayor Walter, and carried to disapprove the rate increases programed in the Water and Wastewater and Long-Term Financial Plan adopted February 2012, effective July 1, 2016.

## **MANAGER'S REPORT**

Mr. Billingsley stated Mr. Mark Eckhoff, Community Development Director, has completed and is certified to provide emotional and spiritual care in disasters. He stated there is continued education that one is required to take in order to maintain certifications.

Mr. Mark Eckhoff, Community Development Director, stated that it was a two-day class and he was able to attend the class for free, which is normally a costly class. He stated the class was emotional as it dealt with the emotional issues during emergencies as they occur and not in the aftermath.

Mr. Billingsley stated that he attended the Home Tour. He stated that he has participated in several home tours in other communities and Florence's Home Tour was the best thus far. It started for him last Thursday when he was invited to be the keynote speaker at the Volunteer Recognition and Training Program, in which there were 140 volunteers. He stated there were 28 properties on the Home Tour. He only heard positive comments about the tour. He was told there were approximately 1,000 tickets sold and businesses were patronized. He thanked everyone who assisted and congratulated them for the successful event.

Mr. Billingsley stated that the 2016 Prison Run, hosted by the Hell's Angels, was successful as well. He stated there were approximately 487 bikes that participated in the run.

Mr. Billingsley stated that House Bill 2385, known as the incorporation for urbanized areas bill, has been assigned to a judiciary committee. The committee will have a hearing tomorrow morning and Town staff will sign on to the system as opposed to the legislation as well as asking Representative Farnsworth to hold a meeting with various stakeholders, including the Town of Florence, before moving forward with his bill. The cities of Apache Junction and Maricopa both verified that they will continue to support Florence with regards to this bill.

Mayor Rankin stated that this is an ongoing issue for the last seven years. He stated it is important to educate the people and let them make the decision. He stated Representative Coleman met with the residents with San Tan Valley and they were asked to meet with the Town of Florence; however that meeting never took place. He stated the incorporation of San Tan Valley will hurt many municipalities. He stated it is important for the residents to understand what it takes to run a community.

Vice-Mayor Walter asked for something to be added to the local newspaper with the contact information should the residents wish to send a letter.

Councilmember Anderson stated that there are many components in operating a municipality and he is not sure if the residents have been informed of all that it takes to form and run a municipality. He stated it takes a lot to build the infrastructure as well as the buildings, such as a town hall, police station and fire station.

Mayor Rankin asked that Pinal County be brought into the discussions as the San Tan Valley residents are citizens of Pinal County and they may be affected as well.

Mr. Billingsley stated that the CAG Legislative Day is coming up next week and all the stakeholders will be in attendance. He stated a large contingent from Florence participating in those discussions will be helpful as well.

## **CALL TO THE PUBLIC**

Ms. Ruth Harrison, Florence Resident, stated that building in a floodplain can be problematic. She stated other places that have built in their floodplains have had problems. A floodplain is a natural structure and serves a purpose. Changing and distorting a floodplain can lead to issues.

## **CALL TO THE COUNCIL – CURRENT EVENTS ONLY**

Councilmember Anderson stated that the Home Tour was a great event and the quick draw was a nice addition. He thanked the Arts and Culture Commission and Ms. Jennifer Evans, Management Analyst, for their involvement.

Councilmember Wall stated that she was impressed with the recognition that the Town of Florence received for its part in developing the Sandstone Solar Project. She stated it is important to have that facility as part of the Town. She stated there are 182,000 solar panels at the facility and they are already producing electricity which is being purchased by SRP.

Councilmember Hawkins thanked everyone involved with the Home Tour. He thanked the Community Development Department for their assistance in resolving an issue with a home improvement project.

Vice-Mayor Walter stated that her thoughts and prayers are with the Pankey family. Sergeant Pankey provided an invaluable service to the community. She stated there will be a celebration of life memorial in honor of Vicki Kilvinger, past Mayor for the Town, on February 27, 2016, at Town Hall.

Mayor Rankin asked Dan Hughes, Police Chief to update the Council of Sergeant Pankey's services.

Chief Hughes stated that the services for Sergeant Pankey will be on Friday, February 19, 2016, at the Assumption of the Blessed Virgin Mary Catholic Church. Viewing will start at 9:00 am, with mass celebrated at 10:00 am. The surrounding communities have been very helpful and have volunteered to take any calls so that the Florence officers and fellow co-workers may attend the services. Sergeant Pankey also served as a firefighter and the Fire Department will also be part of the celebration.

Mayor Rankin stated that it was nice to see everyone on Main Street during the Home Tour. He stated the turnout was wonderful. He stated 150<sup>th</sup> Birthday celebration tee shirts and coffee cups were sold during the event. He invited everyone to attend the next meeting.

Mayor Rankin thanked everyone for their thoughts and well wishes while he was in the hospital.

## **ADJOURN TO EXECUTIVE SESSION**

An Executive Session will be held during the Council Meeting for legal matters pursuant to A.R.S. Section 38-431.03(A)(3) and (A)(4) 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 litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV 2015-0001325.

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

**ADJOURN FROM EXECUTIVE SESSION**

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

**ADJOURNMENT**

On motion of Councilmember Hawkins, 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 February 16, 2016, and that the meeting was duly called to order and that a quorum was present.

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