

MINUTES OF THE FLORENCE TOWN COUNCIL WORK SESSION HELD ON MONDAY, OCTOBER 5, 2015, AT 7:00 P.M., OR IMMEDIATELY FOLLOWING THE COUNCIL MEETING, IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Rankin called the work session to order at 7:18 pm.

ROLL CALL:

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

WORK SESSION TO REVIEW THE CAPITAL IMPROVEMENT PLAN.

Mr. Gabe Garcia, Finance Director, stated that a Capital Improvement Plan (CIP) is a ten year plan based on the Town's priorities and financial restrictions determined by the Town's current financial forecast. The plan is reviewed annually to evaluate the Town's infrastructure needs within the forecast limits. He stated for a project to qualify for the CIP, the project should cost more than \$10,000 and must have an expected useful life great than ten years. Projects include construction and major renovations of buildings, economic development activities, acquisition of property, improvements to roadways, and the efficient use of the water and sewage systems. Other costs associated with the capital budget can include architectural, engineering and site development.

Mr. Garcia stated that CIP projects that are funded with development impact fees are classified in the Infrastructure Improvement Plan (IIP), and their expenditures must be outlined in the Town's IIP cost study. He stated that projects are funded by; General Government, Parks & Open Space, Public Safety, Highways and Streets, Water, and Sewer.

Mr. Garcia stated that minor CIP projects or purchases are single purchases greater than \$5,000 that are to be capitalized per the Town of Florence Capital Asset Policy and Procedures. These items are typically vehicles, equipment and minor improvements. Items that do not meet the capitalization policy are furniture, fixtures or equipment under \$5,000 and are placed in the operating and maintenance budgets of the respective departments.

Ms. Lisa Garcia, Interim Town Manager/Town Clerk, stated that last year the citizens were promised completion of certain projects if the special election passed. Many of the items on the list were road projects which are normally completed with Highway User Revenue Fund (HURF) monies. She stated that staff has spoken with Mr. Mark Reeder, Managing Director with Stifel Nicolaus, regarding 198 monies which is a type of load that carries a very low interest rate and can almost pay for the interest charged

from the interest earned from the money being in the bank. She stated that this type of funding option is being reviewed at committee level and will be brought back to Council for consideration at a later time.

Mr. Garcia stated that staff has updated the CIP providing Council with four categories: -

- Proposed new projects
 - Proposed new projects list consist of items that have been submitted by Department Heads with the projected costs and desired timeline for completion.
- Deleted projects
 - Deleted projects are items that have either been revised and are represented on the CIP with updates or are no longer needed.
- Revised projects
 - Revised projects have either been updated; the original plan has been modified, moved to the Council list or into the operating budget
- Moved projects
 - Moved projects have either been updated; the original plan has been modified, moved to the Council list or into the operating budget.

Ms. Garcia explained that the overview sheet provides Council with a list of major and minor capital improvement projects, including vehicles. She stated that the Town does not have the funding to hire professional services to update the Strategic Plan in the current fist year's budget and that staff is currently reviewing Requests for Proposals (RFP) in preparation for release. She stated that the goal for the work session is to review the CIP and ensure Council has a comprehensive understanding of the projects that are in the plan at this time.

Mayor Rankin inquired how many projects were promised to the citizens if the special election passed and are a majority of those projects HURF projects.

Mr. Garcia stated that there are 11 projects that were promised and that a majority of them are HURF projects.

Mr. Wayne Costa, Public Works Director, stated that ten out of 11 projects are HURF projects and one of the ten projects has been completed. He stated that a majority of the remaining ten projects are scheduled to be completed in the next two years and with a few to be completed this year and they have been identified in this years' budget.

Mayor Rankin requested to have a list of the 11 projects supplied to each Councilmember including anticipated completion dates to allow Council to prepare for the next special election.

Ms. Garcia stated that when the Town goes back to the voters in May 2016, staff will provide the voters with an update on the 11 projects; what has been completed and what is pending as many of the two year projects required engineering.

Councilmember Anderson stated that he would like to see the Strategic Plan completed much sooner than what is being planned.

Ms. Garcia stated if Council would like to have the Strategic Plan completed correctly and to provide appropriate time for public participation, the process will take eight to ten months.

Councilmember Anderson stated that he would like to see a one-page Strategic Plan provided to the voter as to what Council believes are the strategic items with a caveat that the Plan will be updated in the next eight to ten months.

Ms. Garcia stated that the voters have been informed that for the next two fiscal years the Town has limited funding and that it needs to decide the following:

- If it is going to finance projects or issue bonds
- Will the Town continue to be a pay-as-you-go community or go with a different approach.

Ms. Garcia stated that Council and staff will review the items on the CIP and create a plan on how each item will be funded.

Mayor Rankin inquired if it was the plan to go through each item on the CIP.

Ms. Garcia stated that she would like to have each Department Head review their items on the CIP and provide Council with a thorough understanding so when Council goes back and reviews the plan individually, each Councilmember will feel comfortable with their knowledge of the items.

Mayor Rankin stated that Council needs to have full input and understanding as to the following:

- What projects were promised to the voters last year
 - Project status
 - Funding for the project
- What projects the voters are going to be asked for this year
 - Project cost

Ms. Garcia stated that the voters were asked for \$15,000,000 over the state imposed expenditure limitation amount last year and that staff has to have that new amount by November so an election can be called for in December. She stated that the Department Heads will each explain their items on the plan starting with the items in the General Plan.

Mr. Mark Eckhoff, Community Development Director, stated that the last update to the General Plan was done in 2008/2009 and was approved by the voters in 2010. He

stated that the State of Arizona requires the General Plan be updated at a minimum of every ten years, which would require an update to the voters no later than 2020. He stated that in conjunction with the last update of the General Plan, the Parks, Trails and Open Spaces Master Plan was updated. He stated that the updates are planned to be conducted over two fiscal years, allotting \$300,000 each year. He stated that the expense is higher than previously experienced as there will be two additional components of the update: economic development and transportation. He stated that there has been a significant amount of change in the Town development that warrants an update. By the time the report is updated, the details of the North/South Freeway Corridor will be firm and will affect portions of the General Plan that will need to be modified.

Mr. Eckhoff stated that the Community Development Department and Parks and Recreation Department will complete the projects together for cost saving measures. He stated that the Strategic Plan will be completed prior to the General Plan updates. Once the General Plan, and the Park, Trails and Open Spaces Master Plan are accepted by Council, the Strategic Plan can be updated again.

Councilmember Anderson inquired as to what services will be provided for the \$300,000 annual fee.

Mr. Eckhoff stated that a professional team will be hired to address the different elements of the General Plan: economic development, fiscal analysis, transportation, water and waste water. He stated that it will take two years to complete the project to allow for the level of public input that is desired.

Ms. Garcia stated that next item is Territory Square expansion phases.

Mr. Eckhoff stated that a significant amount of progress has been experienced at Territory Square with the completion of the North End Framework Plan that amended the General Plan, removed property from the flood plain and completed phase one; Aquatic Center, Library, Community Center and the sports fields. He stated that there are approximately 772 acres in Territory Square with 394 acres still within the flood plain. The current plan calls for a small portion of the 394 acres to be removed from the flood plain and developed. The land to the east and west of Territory square is privately owned but qualifies to be removed from the flood plain if the owners so choose. He stated that it is anticipated that additional development will be desired and to continue moving forward with preparation of the land to be developed when the time comes.

Mr. Eckhoff stated that other plans may be identified by Council to be of higher priority than updating the General Plan and Strategic Plan such as the permanent expansion of Main Street to Highway 79 or pursuing Requests for Proposals from private developers for the development of the land north of the library.

Councilmember Anderson inquired if the plan for Territory Square still includes an affordable housing project.

Mr. Eckhoff stated that the Territory Square Plan has a wide range of mix uses and zoning options that includes heavy commercial usage along Highway 79 frontage, with the middle of the project ideally being apartments or mid-density housing to possible single-family residential. He stated in the center of the project will be more specialty retail and business offices. Staff can look at the option of having an affordable housing project in the Plan that may be funded by grants.

Mr. Garcia stated that Microsoft upgrades should be moved to the operations section of the budget. He stated that the plan is to upgrade the Town's software and will occur in phases.

Ms. Garcia stated the next item is the Cemetery.

Mr. Wayne Costa, Public Works Director, stated that Phase II of the cemetery has been completed due to a recent donation of \$10,000. Currently the main access road is decomposed granite and dirt and the plan calls for paving the main road from Salazar Drive to Phase II. He stated that in conjunction with the paving project there is a chip seal project scheduled for the main access and drive of the cemetery. He stated an additional project planned for next year is to improve the masonry walls around the cemetery for security purposes and to limit access to the facility by off-road vehicles.

Ms. Garcia stated that the next list of items to be reviewed are with Parks and Recreation and are items that are being reviewed but may not make it on next year' CIP budget.

Mr. Bryan Hughes, Parks and Recreation Director, stated that the Department has been working with County Open Space and Trail which is a trail development plan that runs along Central Arizona Project (CAP) from Lake Havasu to Tucson and Florence would be responsible for the areas that fall within its boundaries. He stated that the first couple of years would be for planning then moving into the construction phase as some areas will be an easy installation and other areas will require more infrastructure. He stated that there will be public forums held during the planning phase to enlist the thoughts and wants of the citizens of Florence for the trail within the boundaries of Florence.

Ms. Garcia stated that when Council is looking at CIP project funding, it needs to look at what percentage is being proposed to come from the CIP and what percentage is being proposed for financing.

Mr. Hughes stated that the next item is a combination of Heritage Park, Little League Park (Doggie Park) and Neighborhood Parks which were identified on the 2007 Parks

and Recreation Master Plan. He stated that many of the facilities are older and need upgrading to improve user ability. He stated that the next year is a planning year holding forums to obtain citizen input on what they would like to see upgraded or added to the facilities and how those changes would impact or change future infrastructure development.

Mr. Hughes stated the last item he would like to review with Council is the Poston Butte Open Space Trails Development which starts with a 3-year planning process looking at the various types of land in that area which includes privately owned and a railroad crossing. He stated it will take several years of planning, cost analysis and citizen input to provide Council with a complete understanding and financial obligation the project would entail.

Councilmember Wall inquired if there was a funding duplication on the Poston Butte Open Space Trails Development.

Mr. Hughes stated that there was a high-level conceptual plan completed this year that identified the project to be done in two phases and based on that recommendations, the funding request was broken out accordingly.

Ms. Garcia stated that the last area to be covered is the public safety component of the CIP starting with the Fire Department and then the Police Department.

Mr. David Strayer, Fire Chief, stated that the purchase of a new fire truck is pushed ten-years out as it is being anticipated that a new fire station will be needed as the population grows. He stated the remaining items are in a replacement schedule based on their age and Insurance Service Office (ISO) requirements. He stated that the water tender is 31 years old and that ISO only recognizes equipment that is 25 years old or newer. The Department needs to be able to shuttle 2,000 gallons of water for wildland fires and for any fire if for some reason the Town's water system is shut down or unavailable at the location of the fire.

Chief Strayer stated that the utility support vehicle the Department is currently using is 12 years old and is a trailer that requires two staff members to operate which at the scene of a fire, the Department cannot afford the loose two crew members where as a new vehicle with updated equipment will operate more efficiently and will only require one crew member to operate and have those services available on-site quicker. He stated that the following items are on a regular replacement schedule; extrication equipment which is the jaws-of-life, transitional response vehicle (TRV), fire apparatus, ladder truck, Compressor for self-contained breather apparatus (SCBA), and a cardiac monitor. He stated that the TRV was purchased in 2006 and will be 12 years old and due for replacement in 2018. He stated that the industry is seeing a sure in refurbishing fire trucks at a cost of 40% of a new vehicle that will give it ten more years of useful life.

He stated that the Department received a grant for two cardiac monitors so the original request for three new monitors has been reduced to one.

Ms. Garcia stated that Chief Strayer came to the last Budget Committee meeting and presented a budget plan to reduce the Fire Departments current CIP needs by 60% and increase items that are being covered by grants the Department recently received. She stated that Chief Strayer and his team at the Fire Department are working hard at identifying new and innovative ways to expand the useful life of equipment and controlling costs without sacrificing the Town's ISO rating and will continue to locate and apply for grants for the betterment of the Town.

Mr. Dan Hughes, Police Chief, stated that the Police Department is looking at the replacement of communication equipment as Motorola no longer produces the radios and will stop supporting them in 2019. He stated that Police and Fire will be required to change and that the County is going to 700 and 800 and to allow for communication between supporting agencies, the Town will need to purchase new equipment. He stated that they are hoping to work with the County and roll out a program together that will upgrade in a joint effort. He stated they are also looking as possible grants that will assist with this need.

Chief Hughes stated the next item is body cameras which the City of Coolidge just received a \$195,000 grant. He stated that the Police Chiefs and Legislature across the Country are looking at mandating that every police officer have a body camera and it is not the cost of the camera that is a large expense, but it will be the storage of the data from those cameras. He stated that the 5 year plan for this program is estimated to cost \$200,000 and that staff will continue to look for grants to assist with those costs but the State may mandate that this occur and not provide funding for it.

Chief Hughes stated that the Town has a beautiful new evidence facility that has space that is not being utilized. He stated that staff is looking at ways to use the space moving forward for training and possibly raising the roof, creating a second floor for much needed office space as the Department expands over the next several years. He stated that the funds he has placed in the CIP plan for this project is a place holder for the project and if needed it can be push out a couple of years.

Councilmember Anderson inquired about vehicle replacement for the Police Department.

Chief Hughes stated that vehicle replacement is on the minor list and will be handled by Fleet Maintenance.

Ms. Garcia stated that the minor project list has not been reviewed by the Budget Committee at this time and will be brought back to Council at a later date.

Ms. Garcia asked Chief Hughes to review the need for a new communication tower.

Chief Hughes stated that police and fire are having trouble with intermittent service in the northern parts of the coverage area and are speaking with the County to work together in establishing an additional tower in that area as the County already has a sub-station with utilities and by working together, it would reduce costs from an estimate of \$1,000,000 to possibly \$400,000.

Councilmember Hawkins stated that he thought the Town has already established a new tower and new communications equipment for fire and police.

Ms. Garcia stated that communication towers need to contently be updated and asked Chief Hughes to speak to recently purchased equipment.

Chief Hughes stated that the Town did purchase communication equipment and it is a state-of-the-art system however, communication technology is constantly changing and upgrading and when Motorola decided to no longer support the radio equipment that means the Town will not be able to get replacement parts or equipment. He stated that Arizona Farms up to Bella Vista, reception is not consistent and as the Town grows additional tower coverage is going to be needed and by 2019, new equipment will need to have been purchased.

Councilmember Hawkins stated that there is Federal monies available for body cameras.

Chief Hughes agreed that there are Federal monies for body cameras that will most likely go to the larger departments and municipalities throughout the Country. He stated that staff is monitoring all funds that come available for body cameras and it watching for any opportunity to apply for a grant.

Councilmember Anderson stated that there was a vendor at the Police Appreciation Luncheon that he recently attended that states on their website that they offer grants for body cameras.

Chief Hughes agreed that the vendor does offer assistance in completing the paperwork for a grant and if the Department would receive a grant from that application, it would be obligated to purchase the equipment from that vendor. He stated upon review, the price the vendor is charging, the grant is really a discount on their costs which is misleading.

Ms. Garcia stated that Council is leaving the work session with a complete CIP packet for review, a recap of the CIP meetings held with the public and any information sheet that was completed by a citizen who participated at those meetings and a total list of projects submitted. She stated at a later date, Council will need to prioritize the projects during the budgeting process.

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 Councilmember Guilin, seconded by Councilmember Wall, and carried to adjourn the work session at 8:28 pm.

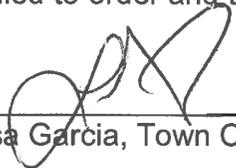


Tom J. Rankin, Mayor

ATTEST:


Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council work session held on October 5, 2015, and that the work session was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk

