

MINUTES OF THE TOWN OF FLORENCE COUNCIL MEETING HELD ON MONDAY, JANUARY 21, 2020, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Walter called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: Walter, Anderson, Hawkins, Wall, Larsen, Cordes, Hughes

ROLL CALL: MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1.

Present: Walter, Anderson, Hawkins, Wall, Larsen, Cordes, Hughes

NEW BUSINESS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1.

Discussion and possible action to approve Merrill Ranch Community Facilities District No. 1 December 16, 2019 Special Meeting minutes.

On motion of Vice-Chairman Anderson, seconded by Boardmember Wall, and carried (7-0) to approve the Merrill Ranch Community Facilities District No. 1 December 16, 2019 Special Meeting minutes.

ROLL CALL: MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

Present: Walter, Anderson, Hawkins, Wall, Larsen, Cordes, Hughes

ADJOURNMENT TO JOINT EXECUTIVE SESSION BETWEEN THE TOWN OF FLORENCE AND MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 AND MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 for the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3) and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding a Notice of Claim filed by Merrill Ranch Owner's Agent, L.L.C., CMR/Casa Grande, L.L.C., Roadrunner Resorts, L.L.C. and Florence Copper, Inc. against Merrill Ranch Community Facilities Districts No. 1 and No. 2 and the Town of Florence.

Motion of Florence Town Council.

On motion of Councilmember Cordes, seconded by Councilmember Wall, and carried (7-0) to adjourn to Executive Session.

Motion of Merrill Ranch Community Facilities District No. 1

On motion of Boardmember Larsen, seconded by Boardmember Wall, and carried (7-0) to adjourn to Executive Session.

Motion of Merrill Ranch Community Facilities District No. 2

On motion of Boardmember Cordes, seconded by Boardmember Hughes, and carried (7-0) to adjourn to Executive Session

ADJOURNMENT FROM EXECUTIVE SESSION

Motion of Florence Town Council.

On motion of Councilmember Wall, seconded by Councilmember Hughes, and carried (7-0) to adjourn from Executive Session.

Motion of Merrill Ranch Community Facilities District No. 1

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (7-0) to adjourn from Executive Session.

Motion of Merrill Ranch Community Facilities District No. 2

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (7-0) to adjourn from Executive Session.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1.

On motion of Boardmember Larsen, seconded by Boardmember Hughes, and carried (7-0) to adjourn to Merrill Ranch Community Facilities District No. 1.

NEW BUSINESS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 2.

Public Hearing on Feasibility Report for Merrill Ranch Community Facilities District 2- Assessment Area 8, Unit 32.

Ms. Rebecca Jimenez, Interim District Treasurer, stated that the request is to hold a public hearing for the Feasibility Report for Merrill Ranch Community Facilities District No. 2 Assessment Area 8, Unit 32 and adopt Resolution No. MRCFD2 240-20 which approves the Feasibility Report Eight Amendment and Waivers, authorizes the sale and issuance of bonds in the amount of \$280,000.

Ms. Jimenez stated that Assessment Area 8, Unit 32 is a new sub-district of Merrill Ranch Community Facilities District No. 2. The sub-district consists of 24.25 acres and is located off Spirit Loop west and north, then to the east along Walker Butte Wash and to the south starting along W. Merriweather Way and intersecting Walker Butte Wash. It is composed of 80 individual lots which have been platted. The total cost of improvements is \$679,000 and its estimated completion date is March 1, 2020.

Ms. Jimenez stated that the assessment amount is \$3,500 per unit. The Developer is contributing an estimated \$30,000 for costs or Issuance. Interest for this issue is estimated at 6% and is subject to change. The term of financing is for 25 years. The estimated annual payment to the property owners is \$272.50 plus the administrative fee, for a total of approximately \$307 per year.

Chairman Walter opened the public hearing. There being comments, Chairman Walter closed the public hearing.

Discussion and possible action on Resolution No. MR CFD2 240-20 to approve the Feasibility Report and for the execution and delivery of Special Assessment Installment Purchase Agreement (Assessment Area 8) and related matters in the amount not to exceed \$280,000 for Merrill Ranch Community Facilities District 2- Assessment Area 8, Unit 32.

On motion of Vice-Chairman Anderson, seconded by Boardmember Larsen, and carried (7-0) to adopt Resolution No. MR CFD2 240-20.

Discussion and possible action to approve Merrill Ranch Community Facilities District No. 2 December 16, 2019 Special Meeting minutes.

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (7-0) to approve the Merrill Ranch Community Facilities District No. 2 December 16, 2019 Special Meeting minutes.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 2.

On motion of Boardmember Cordes, seconded by Boardmember Hughes, and carried (7-0) to adjourn from Merrill Ranch Community Facilities District No. 2.

MOMENT OF SILENCE

Mayor Walter called for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Walter 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.

There were no public comments.

PRESENTATIONS

Florence Transportation Study Presentation

Mr. Chris Salas, Public Works Director, stated that the Planning Assistance for Rural Areas (PARA) Grant is developed and administered by ADOT. He stated that it is a competitive grant, so staff did their due diligence to apply and win the grant. He thanked Mr. Jason Bottjen, ADOT

for his assistance in helping the Town with the award of the grant. He explained that the study will assist with the following:

- Modeling of projected traffic volumes
- Projected levels of service
- Areas of deficiencies projected out, which feed into the Town's Capital Improvement Plan and Development Impact Fee Studies
- Deficiencies in the network for bicycle and pedestrian facilities
- Includes cost of improvement(s)

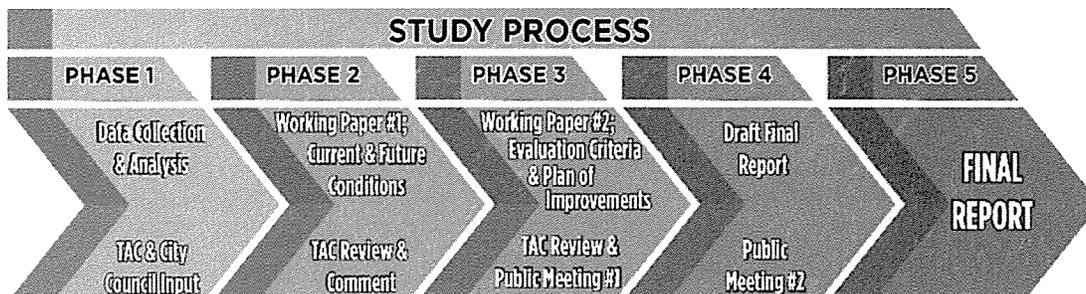
Mr. Salas explained that the study will contain guidelines that will assist when a development comes in. It will also help staff write size improvement plans for future development including preservation of right-of-way corridors. He asked that Council review the draft study and provide their feedback as they are in the comment phase.

Jason Bottjen, Planning Project Manager, and Kevin Kugler, Project Manager, provided a presentation in which they outlined the following:

ADOT Multimodal Planning Division

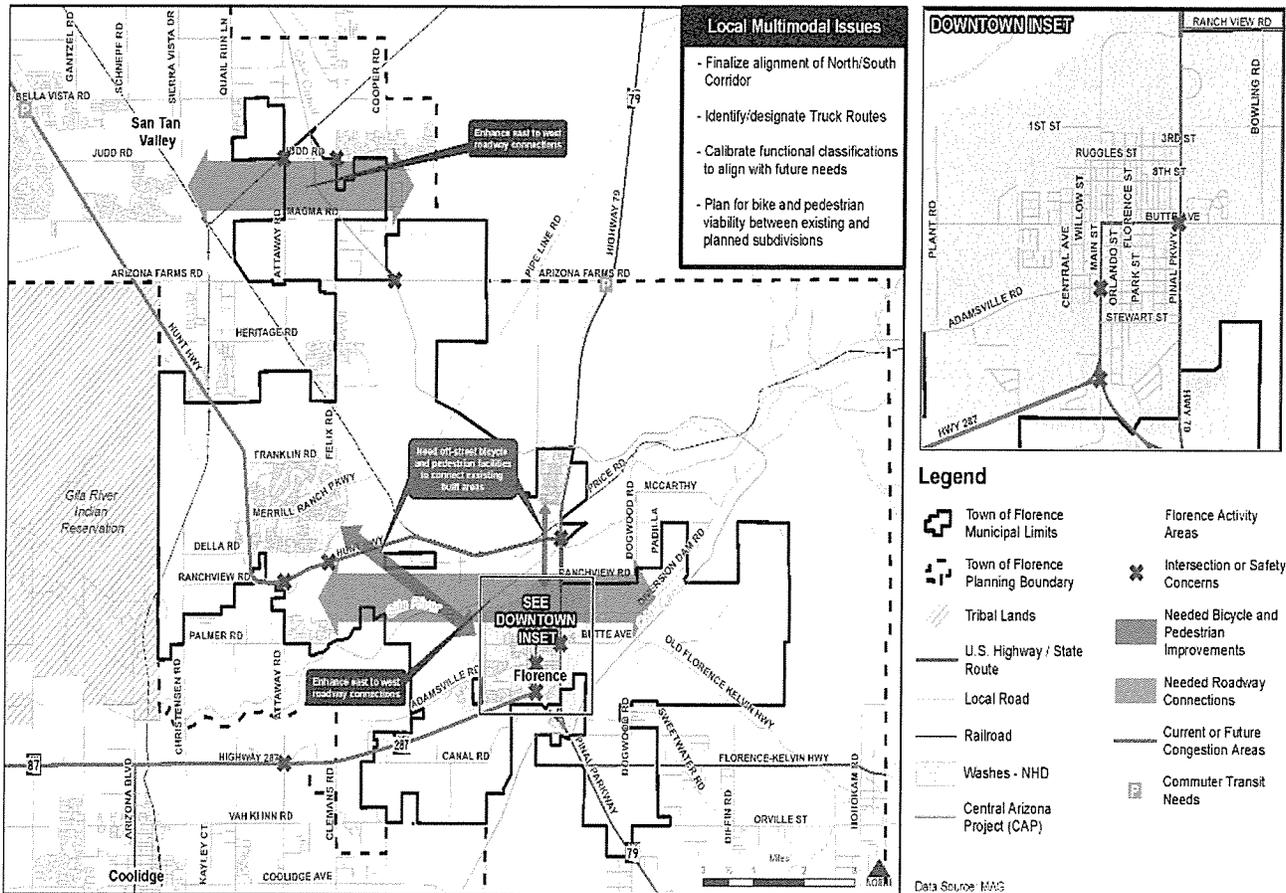
Florence Transportation Planning Study - Town Council Briefing

- Project Status
 - TASK 1: Develop Project Work Plan
 - TASK 2: TAC Meeting # 1
 - TASK 3: Town Council Briefing
 - TASK 4: Working Paper #1
 - TASK 5: TAC Meeting #2
 - TASK 6: Working Paper #2
 - TASK 7: TAC Meeting #3
 - TASK 8: Public Meeting #1
 - TASK 9: Draft Final Report
 - TASK 10: Public Meeting #2
 - TASK 11: Town Council Briefing **-CURRENTLY AT THIS TASK**
 - TASK 12: Public Involvement Summary
 - TASK 13: Final Report



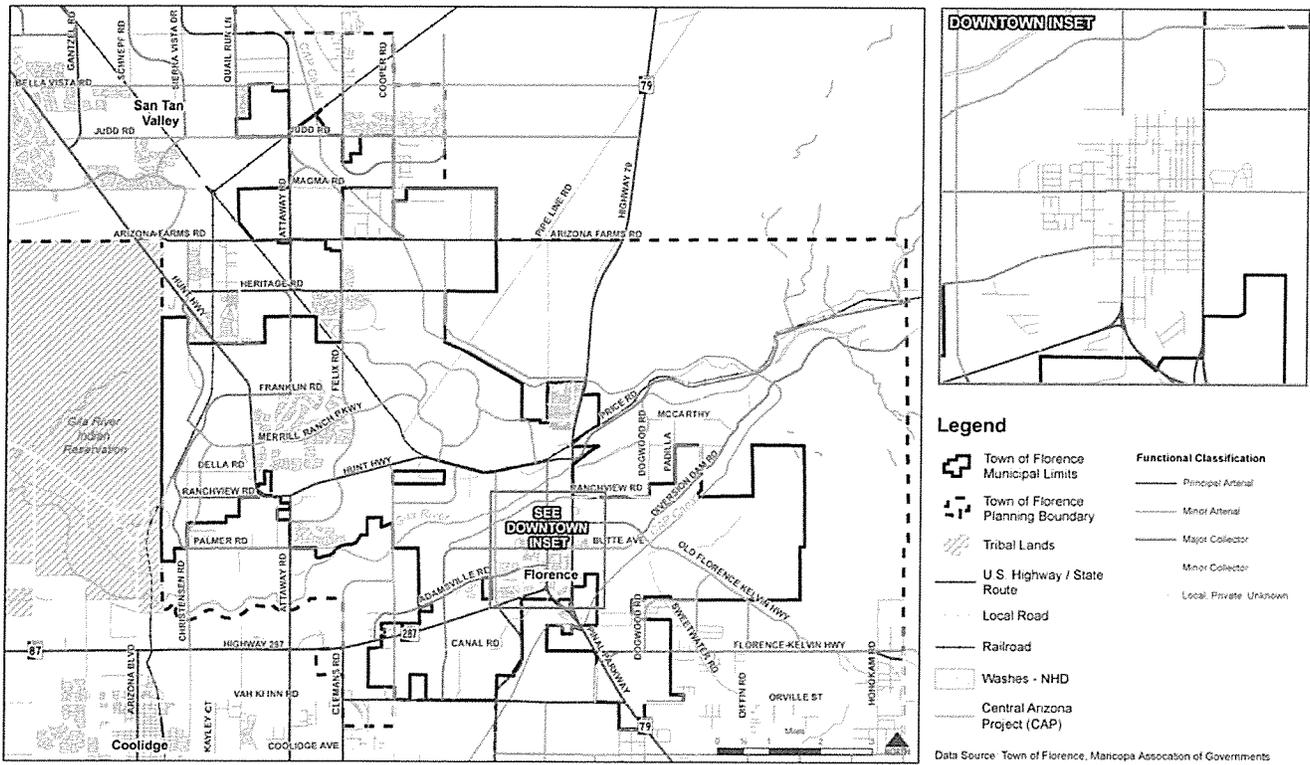
- Transportation Needs and Issues
 - Improve East/West connectivity
 - Functional Classifications

- Roadway Cross sections
- Safety Considerations
- Bike and Pedestrian Mobility – connection Merrill Ranch, Five Parks and downtown
- Town Regulations and Policies – site triangle, bus bay, truck routes, subdivision connectivity

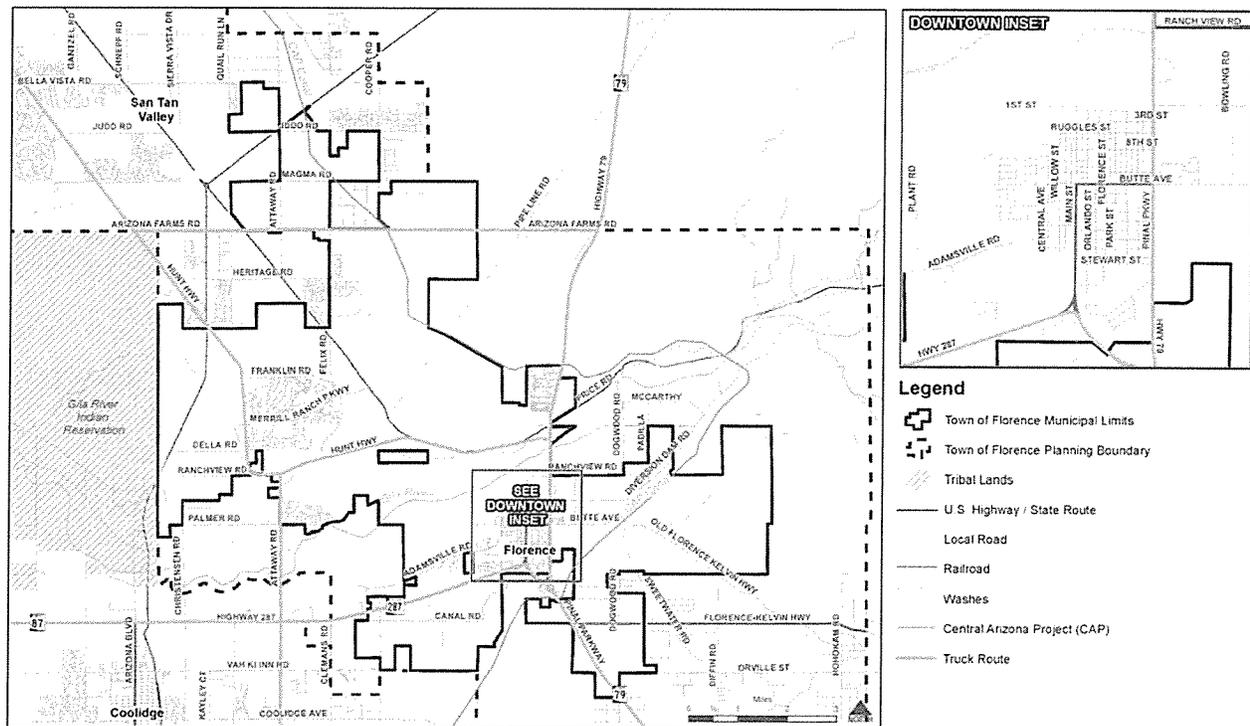


- Future Growth and Vehicle Trip Projections
 - Evaluated existing average daily traffic and roadway level of service
 - Existing transportation plan reflects surplus capacity – pre-recession condition
 - Collaborated with MAG in preparing the travel demand model for Florence
 - Process included sorting out some glitches in MAG data sets, led to delays
 - LOS is determined by the ratio of traffic volume on the roadway versus the capacity of the roadway
 - Apply 2040 growth projections against the 2015 roadway network
 - Analysis of growth rates for every roadway conducted = average annual growth rate of 4%
 - 4% growth rate if fairly progressive and exceeds annual population growth rate = confidence in the results

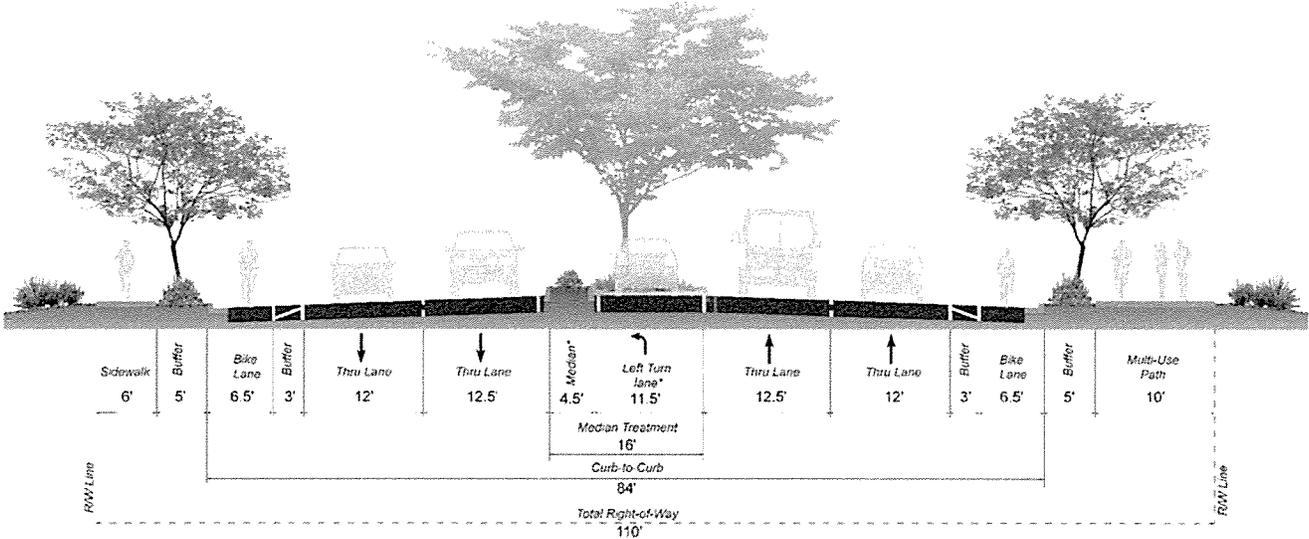
– 2040 Functional Classification Map



– Truck Routing Plan



– Sample Roadway Cross Section



Typical Design Features					
Right-of-Way Width	Number of Lanes	Average Daily Traffic	Design Speed Limit	Posted Speed Limit	Cost Per Mile
110 feet	4 Lanes (1 Turn Lane)	25,000 – 30,000 ADT	45 MPH	35 MPH	\$5,428,997

– Recommended Roadway Improvements

Roadway Segment	2040 No-Build		2040 Built		Implementation Phase ¹	Cost ²
	# of Lanes	LOS	# of Lanes	LOS		
Judd Road: Quail Run Road to Attaway Road	2	E	4	B	Short-Term: Coordinate with Pinal County	\$2,714,498
					Mid-/Long-Term: Construct upon annexation	
Quail Run Road: Judd Road to 0.5 miles North	2	E	3	B	Short-Term: Coordinate with Pinal County	\$1,141,980
					Mid-/Long-Term: Construct upon annexation	

Hunt Highway: Stone Creek Drive to Paseo Fino Way	4	F	6	C	Short-Term: Coordinate with Pinal County	\$2,128,878
					Mid-/Long-Term: Construct upon annexation	
Hunt Highway: Paseo Fino Way to Bella Vista Road	3	E	6	B	Short-Term: Coordinate with Pinal County	\$1,232,508
					Mid-/Long-Term: Construct upon annexation	
Hunt Highway: Bella Vista to Arizona Farms Road	2	F	6	B	Short-Term: Coordinate with Pinal County	\$10,644,387
					Mid-/Long-Term: Construct upon annexation	
Hunt Highway: S. of AZ Farms Road to Mirage Avenue	2	E	4	B	Short-Term: Coordinate with Pinal County	\$4,885,214
					Mid-/Long-Term: Construct upon annexation	
Hunt Highway: Mirage Avenue to Franklin Road	2	F	4	C	Near-Term Construction	\$3,473,432
Hunt Highway: Fire Station #2 to Attaway Road	2	F	4	C	Near-Term Construction	\$1,747,920
SR 79: Gila Drive to Hunt Highway	2	F	4	C	Mid-Term Construction	\$1,568,647
SR 79: Hunt Highway to Ranch View Road	2	F	4	D	Long-Term Construction	\$1,680,693
SR 79: Ranch View Road to 1 st St	2	F	4	C	Long-Term Construction	\$1,187,690
Attaway Road: South of Hunt Highway ³	2	F	4	C	Mid-Term Construction	\$13,653,927
Total Cost						\$21,787,071

¹ The Implementation Phase is a recommendation and is subject to change. Near-Term refers to 0-5 years, Mid-Term is 5-10 years, and Long-Term is 10+ years after publication

² Cost estimates are to be considered preliminary planning-level cost estimates

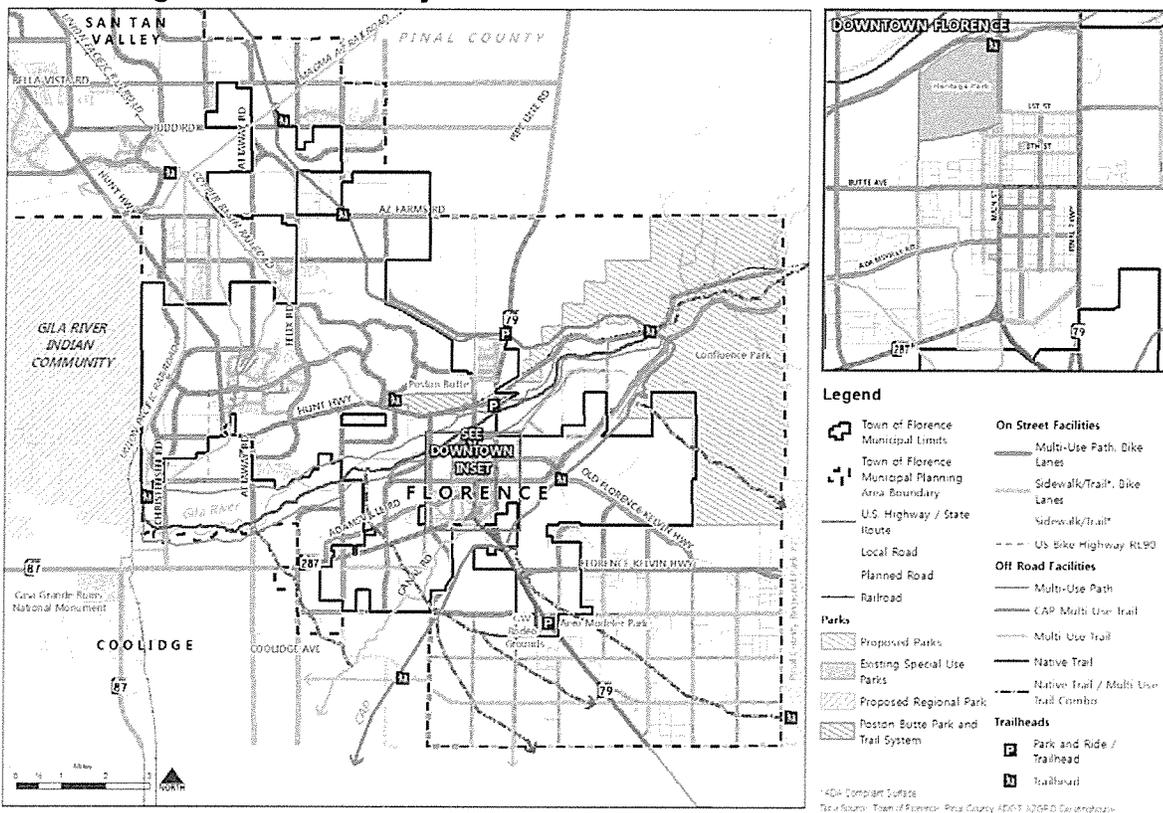
³ First half-mile of this recommendation is within Town of Florence limits and coordination with Pinal County is required for the southern extension.

– Recommended Intersection Safety Improvements

Intersection Location	Concern	Recommendation	Implementation Phase ¹	Cost ²
Hunt Highway/ Felix Road	Incomplete Intersection, poor lighting, sight visibility.	Install lighting at the intersection, refresh painting, install edge lines, intersection improvements to increase visibility.	Short-Term (design currently underway)	\$65,100
Hunt Highway/ Arizona Farms Road	Elevated intersection, no lighting, tight radius.	Reevaluate radii, install lighting, refresh pavement marking.	Short-Term (Pinal County design currently underway)	\$37,580
Felix Road/ Judd Road	Lighting, sight visibility.	Intersection improvement to improve sight visibility, lighting on the west side of Felix Road and on Judd Road	Long-Term	\$50,174
Hunt Highway/ Attaway Road	Sight visibility, high northbound right-turn volumes.	Install a northbound right-turn lane, install stop bars/crosswalks, refresh striping.	Short-Term	\$32,777
Hunt Highway/ SR 79	Heavy eastbound right-turn traffic volumes, safety.	Install an eastbound right-turn lane, install a traffic signal, restripe the intersection, install rumble strips.	Short-Term (In conjunction with ADOT bridge project to signalize the intersection in 2021)	\$39,645
SR 287/ Attaway Road	High number of crashes, education and enforcement issues.	Coordinate with Coolidge to complete an RSA.	Short-Term	\$25,000
SR 79/ SR 287	Capacity issues.	Roundabout is currently in the design phases.	Short-Term	N/A

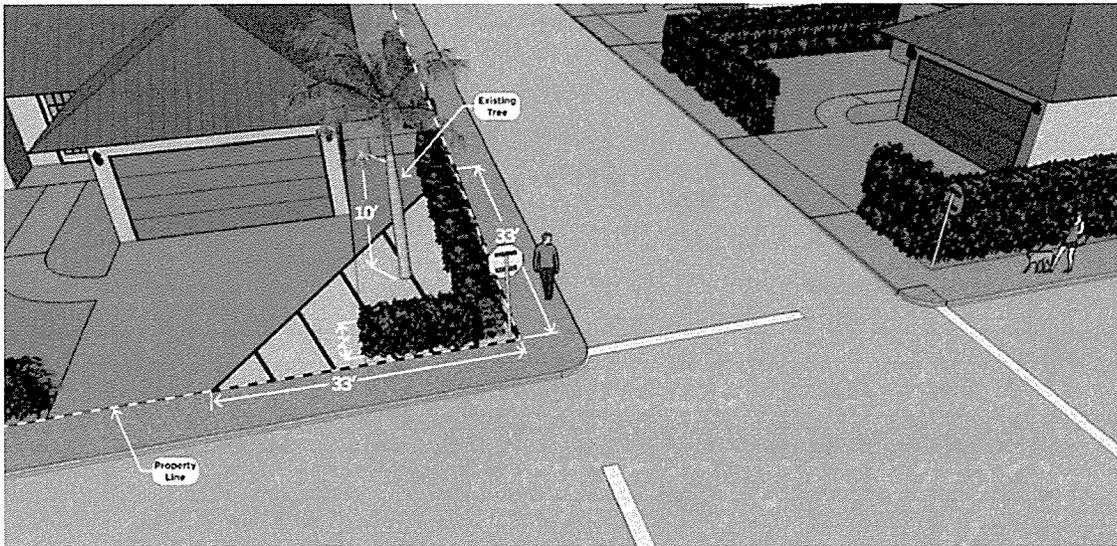
Hunt Highway/ Bella Vista Road	Safety - high number of crashes, lot of rear-ends and left-turns.	Coordinate with Pinal County to complete an RSA, evaluate left-turn phases, review signal timing and clearance intervals.	Short-Term	\$25,000
Bella Vista Road/ Gantzel Road	Safety – high number of crashes, lot of rear-ends.	Complete an RSA, review signal timing and clearance intervals.	Short-Term: Conduct RSA Mid-Term: Construction	\$25,000
			Total Cost	\$300,276

– Existing and Planned Bicycle Facilities



– Additional Recommendations

- Site Visibility Triangle
- Bus Bay Spec's – MAG and ADOT
- Adaptive Streets – low investment aesthetic and traffic operational improvements to surplus ROW streets (80-ft vs. 100 ft)
- Policies to connect existing and planned neighborhoods



- Next Steps
 - Public Meeting #2 – January 21, 2020
 - Incorporate any changes, public comments, edits
 - Prepare Final Report
 - Draft Final Report available for review at: www.azdot.gov/planning/transportation-studies/town-Florence-transportation-planning-study

Councilmember Hughes asked that the link be added to the Town's website.

Mayor Walter asked that the website also be placed on the Town's social media pages.

Presentation on Fiscal Year 2019-2020 Second Quarter Financial Report.

Ms. Rebecca Jimenez, Interim Finance Director, provided a presentation, in which she outlined the following:

- Fiscal Year 2019-2020 Second Quarter Results and Forecast for the remainder of the Fiscal Year
 - Overview
 - Forecast is based on data as of December 31, 2019
- General Fund Revenue
 - Focused on seven revenue sources that make up 80% of the Town's revenue
 - City Sales Tax
 - Food Tax
 - Property Taxes
 - Building Permits
 - State Shared Sales Tax
 - State Shared Income Tax
 - Auto License Tax

– General Fund Revenue FY 19-20

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
City Sales Tax	\$1,213,766	\$2,862,437	\$984,087	\$2,862,437	▼
City Food Tax	\$133,189	\$310,686	\$79,348	\$310,686	▼
Property Tax	\$564,505	\$1,166,611	\$541,574	\$1,166,611	▼
Building Permits	\$351,387	\$809,822	\$814,371	\$1,200,000	▲
State Sales Tax	\$1,068,609	\$2,721,685	\$1,197,701	\$2,721,685	▲
State Income Tax	\$1,578,769	\$3,416,358	\$1,708,180	\$3,416,358	▲
Auto License Tax	\$725,234	\$1,633,773	\$748,873	\$1,633,773	▲
Total General Fund Revenue	\$7,141,587	\$16,369,437	\$7,459,007	\$16,369,437	▲

- City Sales tax is lower than anticipated
- Major taxpayer needs to be monitored

Ms. Jimenez stated that there is always a lag in receiving revenues. Furthermore, a taxpayer had a revision done to their classification of taxes and the Town must now refund the taxpayer approximately \$30,000. The building permit revenues is up; however, she cautioned that they are one-time revenues and can change from year to year.

– General Fund Expenses FY 19-20

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
General Fund	\$7,241,745	\$17,012,550	\$6,936,668	\$17,012,550	▼

- Legal fees have decreased from last year.

– Other Funds-Major Revenue FY 19-20

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
General Capital Fund	\$720,302	\$2,253,000	\$1,273,078	\$2,253,000	▲
HURF Fund	\$1,353,750	\$3,605,915	\$1,674,839	\$3,605,915	▲
Water Fund	\$1,373,030	\$4,326,237	\$2,194,754	\$4,326,237	▲
Sewer Fund	\$2,162,415	\$4,530,200	\$2,001,249	\$4,530,200	▼
Sanitation Fund	\$437,035	\$921,300	\$477,333	\$921,300	▲

– Other Funds-Expenses FY 19-20

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
General Capital Fund	\$160,803	\$4,314,198	\$487,017	\$4,314,198	▲
HURF Fund	\$2,170,425	\$6,893,944	\$1,812,357	\$6,893,944	▼
Water Fund	\$1,529,018	\$7,560,536	\$1,984,178	\$7,560,536	▲
Sewer Fund	\$1,745,296	\$5,472,821	\$1,348,826	\$5,472,821	▼
Sanitation Fund	\$450,322	\$1,279,252	\$505,259	\$1,279,252	▲

- Cash in Bank-FY 19-20

Cash in Bank-General Checking	\$20,511,604	Interest in Sweep - .5%
Cash in Bank-Credit Cards in Transit	\$37,696	
LGIP	\$277,304	Interest Rate 1.5%
PFM Investments	\$40,485,874	Interest Rate 1.3%
<u>Police Evidence</u>	<u>\$4,530</u>	
<u>Total Cash in Bank</u>	<u>\$61,317,008</u>	

- Finance Department Activities

- Completed Annual Audit and Comprehensive Financial Report for the Town, Community Facilities Districts and Municipal Court
- October 1 - Sent out first phase of Budget-Capital Projects
- Implemented Electronic Payroll Timekeeping Processing-Phase One-Electronic Submission-Addressing Leave-time submissions and approvals
- Sent out second phase of Budget-Operational Budget on December 6, working on electronic submission, on-site training scheduled for early February
- Departmental training with accountants and various staff members continues
- Sanitation analysis completed and a report has been written
- Water and Wastewater rate increases proposed to Council

Councilmember Hawkins inquired how will the closing of the prison affect the Towns' budget.

Ms. Jimenez stated that the budget will need to be adjusted, specifically the Sewer Fund, which will sustain the largest impact. The rates will need to be reviewed again. The population will also decrease depending on how many inmates are shipped out, which will affect revenue; thus, expenditures will need to be decreased as well. She stated that adjustments will need to be made in phases.

Mayor Walter stated that she, along with Town Manager Mr. Billingsley and Assistant to the Town Manager Mr. Bitter, met with the two wardens, the director and others in which other opportunities were discussed.

Mr. Brent Billingsley, Town Manager, stated that the Town understands the impact can be approximately \$1.3 million loss in revenue based on loss of population. When considering primary and secondary impacts, the estimated loss is approximately \$2.5 million.

Mr. Billingsley stated that as part of the discussions with the Wardens and Director, they discussed mitigation measures that can be put in place with regards to timing of what happens to the inmates and phasing of that process, as well as partnering for enhancements of value of facilities and potential financial impact. He thanked the Director for the opportunity to have a meeting. He also thanked Mr. Bitter and staff for their assistance in the possible impacts.

Vice-Mayor Anderson inquired if the Town was still going to move money to the PFN Investment Fund.

Ms. Jimenez stated that they recently met with another firm, but they will need to move some money.

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.

- a. **Approval to enter into a contract with Cactus Transport, Inc., dba Cactus Asphalt, to sweep, prepare and apply fog seal and rejuvenate existing roads, in an amount not to exceed \$66,455.96 (Proposal for \$57,787.79, with a 15% contingency, \$8,668.17).**
- b. **Approval to enter into a professional services contract with Best Environmental Subsurface Sampling Technologies (BESST), for zonal sampling for a Dynamic Spinner Log – USGA Tracer Flowmeter and Packer Feasibility Report, in an amount not to exceed \$75,000.**
- c. **Approval to enter into a Professional Services Agreement with Ninyo and Moore Geotechnical and Environmental Sciences Consultants for Geotechnical Services, for on-call engineering services, in an amount not to exceed \$100,000.**
- d. **Approval of the annual software renewal for the Microsoft Office 365 E3 Government, in an amount not to exceed \$26,595.25.**
- e. **Approval of December 16, 2019 Town Council Meeting minutes.**
- f. **Receive and file the following board and commission minutes:**
 - 1. **November 14 and December 12, 2019 Arts and Culture Commission minutes.**
 - 2. **October 30, 2019 Historic District Advisory Commission Meeting minutes.**

On motion of Councilmember Larsen, seconded by Vice-Mayor Anderson, and carried (7-0) to approve the Consent Agenda, as written, with the exception of Item 15b and 15c.

- b. **Approval to enter into a professional services contract with Best Environmental Subsurface Sampling Technologies (BESST), for zonal sampling for a Dynamic Spinner Log – USGA Tracer Flowmeter and Packer Feasibility Report, in an amount not to exceed \$75,000.**

Vice-Mayor Anderson inquired what “analysis will calculate the flow rate within the well” means.

Mr. Salas explained that it is the water flowing in the strata.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (7-0) to enter into a professional services contract with Best Environmental Subsurface Sampling Technologies (BESST), for zonal sampling for a Dynamic Spinner Log – USGA Tracer Flowmeter and Packer Feasibility Report, in an amount not to exceed \$75,000.

c. Approval to enter into a Professional Services Agreement with Ninyo and Moore Geotechnical and Environmental Sciences Consultants for Geotechnical Services, for on-call engineering services, in an amount not to exceed \$100,000.

Vice-Mayor Anderson inquired why a service agreement is needed. He stated that staff is qualified to write the specs and do the request for statements.

Mr. Salas stated that staff writes the scope of work. He explained that the consultants provide various testing for CIP projects.

Vice-Mayor Anderson inquired if this contract is premature if there is no current project.

Mr. Salas stated they would only be used for projects that move forward.

Mr. Billingsley stated that the staff is unable to do this work in-house. The Town does not have a geotechnical lab nor does the Town have licensed geotechnical engineers. The technical aspect of engineering design and construction is very specific, which is why the Town contracts it out.

Mr. Billingsley stated that the contract is not specific to a project, but rather, so that the Town has a consultant available when they have projects to obtain a best price. Staff can do an individual statement of qualifications process to ensure that the Town receives the best deal on each project, while still being able to move quickly without having to go through individual bid processes or individual or smaller contracts.

Mr. Billingsley stated that the contracts are for "do not exceed amounts"; however, each individual project comes before Council, via the Consent Agenda, prior to proceeding. He discussed other similar contracts that the Council has approved along with some that have since expired.

Vice-Mayor Anderson asked for a copy of current on-call contacts along with any that are being proposed.

Mr. Billingsley stated that he will be provided all of the existing contracts that have expired. He noted that Council has approved each of the contracts.

Vice-Mayor Anderson stated that he does not want copies of each of the contracts, but rather a listing along with a brief description of each.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (7-0) to enter into a Professional Services Agreement with Ninyo and Moore Geotechnical and Environmental Sciences Consultants for Geotechnical Services, for on-call engineering services, in an amount not to exceed \$100,000.

NEW BUSINESS

First reading of Ordinance No. 687-20: AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING 30.45 ENTITLED ACTION TAKEN BY ORDINANCE.

Mr. Billingsley stated this ordinance refers to how ordinances are used and how the Town handles rental of real property. Council requested that the rental agreements take place as part of an ordinance. This would define when ordinances would be required for those types of transactions.

Mr. Clifford L. Mattice, Town Attorney, stated that the idea is to remove the text that states "leased". It will no longer be required to be approved by Ordinance, which would require two separate readings. If approved, this would allow for efficiency, quicker and with less process.

Discussion/Approval/Disapproval of approving the notice of intention to increase water and wastewater rates, per the 2018 rate study adopted May 21, 2018, Resolution No. 1664-18 and scheduling a Public Hearing February 21, 2020 to receive citizen comment.

Ms. Jimenez stated that the first increase was done on April 19, 2019 based on the 2018 Utility Rate Study for water and wastewater. The next scheduled rate increase is for April 2020. Every year you have to provide a notice of intent to increase rates. She completed a financial impact, which depicts the following:

- Additional Revenue to Water Fund is estimated at \$217,900
- Additional Revenue to Wastewater Fund is estimated at \$270,300
- Additional Revenue to Securing Future Water is estimated at \$3,350

Ms. Jimenez stated that this will provide the statutory notification to increase the rates. She also did a rate increase impact based on the following usages for water and wastewater combined:

<u>Usage</u>	<u>Increase</u>
5,000 gallons	\$ 4.13
15,000 gallons	\$ 8.99
22,000 gallons	\$10.95

Ms. Jimenez stated that the rate increases are necessary to support the expenditures for each of the funds. There are three components that the utility rate study is based on: operations, debt service and capital outlay. The study is projected for ten years; however, it should be revisited every three to five years depending on the changes that occur within the municipality.

Vice-Mayor Anderson inquired if the prison closing needs to be factored into the rates. He inquired if there has been an increase in expenditures that would justify the rate increases.

Mr. Billingsley stated that the closure may impact the sewer fund approximately \$650,000 annually. He stated that the Town would need to conduct another rate study to be able to adjust the methodology.

Ms. Jimenez stated that there have been increases in expenditures which warrant rate increases, specifically capital projects. She stated that the funds are considered enterprise funds which shall be self-supporting.

On motion of Councilmember Wall, seconded by Councilmember Larsen, and carried (7-0) to approve the notice of intention to increase water and wastewater rates, per the 2018 rate study

adopted May 21, 2018, Resolution No. 1664-18 and scheduling a Public Hearing February 21, 2020 to receive citizen comment.

Discussion/Approval/Disapproval for a Professional Services Agreement with Westland Resources, Sunrise Engineering and Hazen and Sawyer, for On-call utility services, in an amount not to exceed \$350,000 for each.

Mr. Salas stated that in 2016, the Town placed an advertisement for on-call services for general on-call engineering as well as utility on call services. Council approved three contracts for on call services for general for \$500,000 each and three contracts for utility on call services for \$350,000 each.

Mr. Salas stated that they had to do a modification to Westland Resources contract because they were very successful in getting work and exceeded their amount. Hazen Sawyer also had several projects awarded to them.

Mr. Salas explained how a project is determined, how the scope is completed and how the scope of service is sent to each of the on-call engineering firms. Each of the firms has to comply with the five-page proposal limit. They are provided the problem, and they need to outline how they will solve the problem. The proposal needs to entail three pages for scope, one page for the schedule and one page for the cost proposal. He stated that all of the proposals are ranked and are forwarded to the procurement officer. He provides a scoring matrix for each of the firms. This two-step process allows to evaluate cost proposals and save money. This also saves time because staff does not have to go back for approval for each small project. The process is competitive and fair.

Councilmember Hughes inquired how long are the contracts for.

Mr. Salas stated that the contract is good for three years with two one-year extensions.

On motion of Councilmember Hawkins, seconded by Councilmember Wall, and carried (7-0) to approve a Professional Services Agreement with Westland Resources, Sunrise Engineering and Hazen and Sawyer, for On-call utility services, in an amount not to exceed \$350,000 for each.

Discussion/Approval/Disapproval for a Professional Services Agreement with Sunrise Engineering, and EPS Group, for land surveying, in an amount not to exceed \$75,000 for each.

Mr. Salas stated that they chose to separate surveying from the general on-call engineering to create for the ability of smaller firms to apply.

On motion of Councilmember Hawkins, seconded by Vice-Mayor Anderson, and carried (7-0) to approve a Professional Services Agreement with Sunrise Engineering, and EPS Group, for land surveying, in an amount not to exceed \$75,000 for each.

MANAGER'S REPORT

There was no Manager's Report.

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CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Larsen stated that the 3rd Friday on Main Street was a great event and it was great to see Main Street come to life. She invited everyone to the P.O.W.W.O.W. event and Make A Difference Day event.

Councilmember Hawkins stated that there was good turnout for the 3rd Friday event, and thanked everyone for supporting the event.

Councilmember Cordes stated that the Council had a good work session with the Historic District Advisory Commission and Kimber Lanning to discuss the importance of Main Street and revitalization of the old buildings and investing in our history. This will increase the Town's economic growth. She stated that she is excited to see the progress.

Councilmember Hughes stated that she attended the Pinal Partnership's Economic Development Committee Meeting, in which all cities/towns from Pinal County attended, which encourages her. She apologized for not attending some of the events but has been under the weather and is doing better. She stated that she is looking forward to attending future events.

Vice-Mayor Anderson stated that he attended the Pinal Partnership's Economic Development Committee Meeting as well. It was exciting to hear of all the projects that the neighboring communities are doing. It was very interesting to hear what Eloy and Coolidge are doing in their downtown areas. He attended the 3rd Friday event and enjoyed it.

Vice-Mayor Anderson thanked the Florence Fire Department for assisting with a rattlesnake issue in the Anthem area.

Mayor Walter stated that the Town offers several free programs, such as:

- Free Identification Kits - The Fire Department partnered with the Greater Florence Women's Club to distribute the kits. The information gathered would be useful to agencies in the event a person is lost or missing. The Florence K-8 students volunteered to assist for this event.
- Lift Program – Service offered at the Senior Center in which a person may obtain a ride to/from a medical appointment. The drivers are all volunteers.
- Angel Alert Program - This program is managed by the Police Department. The Police volunteers check on the individuals enrolled in the program.

Mayor Walter invited anyone wishing to provide a service that the Town does not offer to contact staff, specifically art classes.

Mayor Walter stated that there is an HGTV contest in which some residents would like to nominate the Town Main Street revitalization.

ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3) and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding:

- Association of Florence Fire Fighters, International Association of Fire Fighters Local 4512, Its Members, and ABC Plaintiffs 1-100 v. Town of Florence, Case No. CV2015-00235 litigation update.
- Town’s position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325, including counterclaims and appellate proceedings to reviewing Courts.
- Town’s position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.
- Discussion and consultation regarding Town’s position on property lien.

***Mayor Walter recused herself from Item a. Item A was heard last. Mayor Walter left the Executive Session prior to item A being discussed.

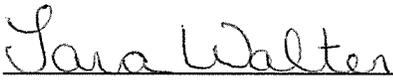
On motion of Vice-Mayor Anderson, seconded by Councilmember Hawkins, and carried (6-0) to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Councilmember Hughes, seconded by Councilmember Larsen, and carried (6-0) to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Hawkins, seconded by Councilmember Larsen, and carried (6-0) to adjourn the meeting at 9:41 p.m.



Tara Walter, 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 January 21, 2020, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk

