MINUTES OF THE TOWN OF FLORENCE WORK SESSION HELD ON TUESDAY, MAY 26, 2020, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

SPECIAL NOTICE REGARDING PUBLIC MEETINGS

Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, the Town of Florence has determined that public meetings will be indefinitely held through technological means. Meetings will be open to the public through technological means. In reliance on, and in compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, and in conjunction with the Emergency Proclamation signed by Mayor Tara Walter, on March 18, 2020. The Town of Florence provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

To attend the meeting noticed below by technological means, members of the public may:

CALL TO ORDER

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

ROLL CALL:

Present: Walter, ***Anderson, Wall, Larsen, Cordes, Hughes
(Vice-Mayor Anderson appeared telephonically)

WORK SESSION ON THE 2020-2021 BUDGET

Mr. Brent Billingsley, Town Manager, provided a presentation, titled 2020-2021 Town Manager's Recommended Annual Budget and Capital Improvement Plan (CIP), in which he outlined the following and provided a brief overview of each of the CIP projects:

- Outline for Recommended Budget
  - Introduction to Budget
    - This year we anticipate challenges to the budget
      - National COVID-19 Pandemic
      - Reduction in state shared revenues
      - Reduction in housing starts
      - Revenue estimates
      - Evaluation of programs and services
      - Changes in the way we do business
      - General slow down
        - Wait and see approach
      - Monitor budget
  - Strategic Budget Goals for 2020-2021
    - Focus on economic recovery
    - Provide exceptional public safety

- Expand the tax base through smart growth and targeted economic development outreach
- Secure the Town's long-term water program for future growth
- Revitalize the downtown corridor, through beautification and business investment
- Public Safety
  - Police Department:
    - Retain current positions and level of service
    - Enhanced pay scale for dispatchers
    - Partner with the community (e.g., "community policing")
  - Fire Department:
    - Implement strong training program
    - Evaluate fire protection services
    - Increase public education and community involvement
- Library
  - Continue to evaluate existing programs and services while increasing membership.
  - Continue to work closely with FUSD.
- Community Development
  - Evaluate existing properties in the Florence area that may be used for future development, beautification, or zoning modifications
  - Continue to make planning and engineering investments for Territory Square project
  - Continue to provide needed services to developers within the Town limits
  - Continue work on the General Plan to guide future development and ensure smart growth within the Town of Florence
- General Government
  - Update intergovernmental agreements
  - Coordinate agreements with Chamber, Arizona State Parks, and other entities to promote Florence and the amenities we enjoy
- Community Services
  - Review existing services provided to citizens
  - Evaluate existing Town events and build upon them to incorporate a broader involvement from the community
  - Continue to promote and increase the use of the Community Center
- Public Works
  - Evaluate and construct CIP projects approved by Council
  - Continue to improve road and streets within the municipal boundaries
  - Increase fire flows to meet building and life safety standards
  - Expand and/or replace utility infrastructure as a means of preparing for and facilitating economic development

- Expanding the tax base through smart growth and targeted economic development outreach
  - Use the General Plan as the vehicle of the Town's smart growth.
  - Evaluate any potential annexations around major transportation corridors and planned future development
  - Develop a clear and distinct message as to which areas are within the Town of Florence, and which are not
  - Hire an economic development professional
  - Develop relationships that could lead to the diversification of our local economy and utilization of our existing strengths

- Securing the Town's long-term water program for future growth.
  - Complete capital projects approved by Council.
  - Complete evaluation and assessment of existing infrastructure on Town water and sanitation lines.
  - Work with our partners to improve and enhance water and wastewater service that are not Town-owned.
  - Continue acquiring physical water for long-term future growth of Florence.
  - Complete Water Resource Element for the General Plan update.
- Staff Positions – additional/changes
  - All positions include employee related benefits
  - Addition of Economic Development Director @ 9 months (General Fund)
    - $99,200
  - Scale change for Dispatchers (General Fund)
    - $35,800
  - Scale change for Fleet Services Supervisor (HURF)
    - $5,800
  - Scale change for certified personnel (Wastewater)
    - $15,200
  - Very conservative approach, with an attempt to remain fiscally conservative by maximizing operations with the lowest practical staffing levels.
- New projects, programs, and enhancements for 2020-2021

- CIP-General Government
  - All projects are dependent on funding received
  - Wayfinding signs $ 75,000
  - Inventory of Historic Buildings $ 10,000
  - Historical plaques $ 10,000
  - Little League Park improvements $ 150,000
    - Dependent on when funding from Diamondbacks Is received
  - Territory Square parking lot maintenance $ 60,000

Councilmember Larsen stated that the wayfinding signs are only earmarked for the downtown. The Ad Hoc Committee felt that this is problematic because they are needed throughout the Town.

Mr. Billingsley stated that Mr. Larry Harmer, Planning Manager, budgeted money for the wayfinding signs for the downtown area. There was further discussion regarding signs similar to those similar to what is around Pinal County, and those are provided for free; however, those listed on the signs needs to pay rent to be listed. He stated there is no scope as of yet; however, Council can determine what they want the scope to be.

Mayor Walter would like to find different areas in the community for the wayfinding signs.

Mr. Billingsley state that staff can write a scope of work, per Council's direction.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that the project and funding was based on the Ad Hoc Committee's recommendation. The scope of work still needs to be completed, and there is a specific way it must be done so that the directional criteria is adhered

to. Kiosks signage was also discussed to advertise programming; however, this will not be discussed until next year.

Councilmember Larsen stated that she is concerned that the $75,000 budgeted will not be sufficient to cover the costs of what the Ad Hoc Committee wants to accomplish.

Vice-Mayor Anderson stated that it was his understanding that the wayfinding signs would be places throughout Town for all businesses; not just those in the downtown area.

Ms. Garcia stated that there are other programs available and staff can work with the Greater Florence Chamber of Commerce to place signs that people rent to have their business listed. The signs will be consistent so as to provide uniformity throughout the Town.

Mr. Billingsley stated that staff will have a work session to discuss what the scope will be if funding for the project becomes available.

Councilmember Larsen inquired about the $10,000 that is budgeted for an inventory of historic buildings.

Mr. Billingsley stated that in 1974, the Sobin Study was conducted which discussed the preservation of historic buildings. The study would be to see if the buildings still exist, their current condition and the possibility if they are salvageable. Another component would be to determine if they should be reported to the Federal Register; and if not, what their current ownership is, etc.

Councilmember Larsen inquired if the homeowner can report their own building. She stated the $10,000 seems excessive because she does not see the benefit.

Councilmember Cordes stated that it is also to determine what buildings currently exist that have not been recognized as historic buildings and have some type of historic significance. Based on the findings, the property owner, can register their building and obtain a plaque. It is important to update the registry. She inquired if there is a grant available to assist.

Mr. Billingsley stated that the request for this project was made by a Historic District Advisory Commission member. He stated that the Heritage Fund has been resurrected and Mr. Harmer is working with State Parks to apply for funding.

Discussion occurred on various types of funding.

Vice-Mayor Anderson stated that this would help with the Home Tour and the Walking Tour.

Councilmember Wall stated that the walking tour does not include many properties. She stated the Vice-Mayor Anderson suggested that the properties be placed on WAZE, which is online and is used when traveling. It will enhance tourists coming to Florence.

Ms. Garcia stated the Town has partnered with WAZE; however, they have limited access and limited abilities. The inventory funding is used to do historical research on the buildings and to help expand the District.

- Americans with Disabilities Transition Plan $ 40,000
- Mobile computer and docking stations $ 51,560
- Turn-Outs – lease/purchase payment $ 20,500
- Radio replacement program $ 60,000
- Replacement truck (Community Services) $ 38,000
- Replacement truck (Facilities Maintenance) $ 28,000
- Riding lawn mower (Parks) $ 10,000
- Replacement of 3 patrol vehicles (Police) $ 186,000
- Maintenance projects $ 192,500

Councilmember Cordes inquired about mileage restrictions for the vehicles with regards to leasing of the vehicles.

Mr. Billingsley stated that the mileage is closely monitored, and the company will determine where the benefit/breakeven point is. This is a significant cost savings to the Town as well as providing for a newer fleet for the Town.

Mr. Billingsley continued with the presentation, in which he outlined the following:

- Territory Square expansion $ 300,000
- Roundabout Intersection SR-79 & SR-287 $ 100,000
- Hunt Highway 2 reconstruction north of Franklin Rd. $ 800,000
- Hunt Highway & Attaway Rd. Intersection $ 570,000
- Other Maintenance Projects:
  - Pavement Preservation $ 600,000
  - Traffic Signal Upgrades $ 75,000
  - Felix Railroad Crossing $ 85,000
  - Arizona Farms Overlay $1,250,000

Mayor Walter inquired if a turn lane is being added to the Hunt Highway an Attaway Intersection this upcoming fiscal year. She asked if improvements will be done at the intersection of Hunt Highway and State Route 79.

Mr. Billingsley stated that the money is earmarked for a full upgrade at that intersection. He stated that the Hunt Highway/SH79 intersection will be completed in conjunction with the bridge project over the Gila River. ADOT has partially funded the bridge project; however, ADOT has pushed out funding to 2023, tentatively.

Mr. Billingsley continued with the presentation, in which he outlined the following:

- Water Projects
  - Territory Square Expansion (Phase 1) $ 450,000
  - Water line replacements $ 300,500
  - Hydrant replacement $ 100,000
  - Complete Water Meter Project $ 525,000
  - Utility Barn/Yard $ 500,000
  - Water upgrade south of SR-287 $ 125,000
  - Well# 5 rebuild $ 285,000

- Maintenance projects
  - Well preservation $ 40,000
  - Well# 2B rebuild $ 150,000
- Wastewater Projects
  - Territory Square expansion (Phase 1) $ 250,000
  - SCADA tie-ins/wastewater controls $ 30,000
  - South WWTP odor control/dust abatement $ 70,000
  - Main St. wastewater main replacement $ 500,000
  - Merrill Ranch Wastewater Treatment Plant, location, design, and construction $ 75,000
  - Territory Square expansion (River Rd.) (Phase 2) $ 500,000
  - South WWTP expansion headworks $1,500,000
  - Replacement truck $ 36,000
- Sanitation
  - Recycling Station ("Eco Yard") $ 300,000

- 2020-2021 Recommended Budget
  - Employee Compensation
    - Medical/Dental/Vision (approved by Council May 18th, 2020)
      - Overall cost increase of 9.42%.
  - Merit Increases (slides to discuss later)
    - At this time, the budget does not include merit increases or performance raises
      - Annual performance evaluations are still required, per policy

Ms. Rebecca Jimenez, Finance Director, continued with the presentation, in which she outlined the following:

- General Fund Analysis
  - General Fund-Fund Balance

    Available fund balance, for our use, is the amount of cash available for expenditures. This comes from the accumulation of prior years' revenue exceeding expenses.

Fund Balance at	Year End 2016	$ 8,215,376
	Year End 2017	$10,451,920
	Year End 2018	$11,226,195
	Year End 2019	$13,053,542
	Estimated Year End 2020	$10,344,323

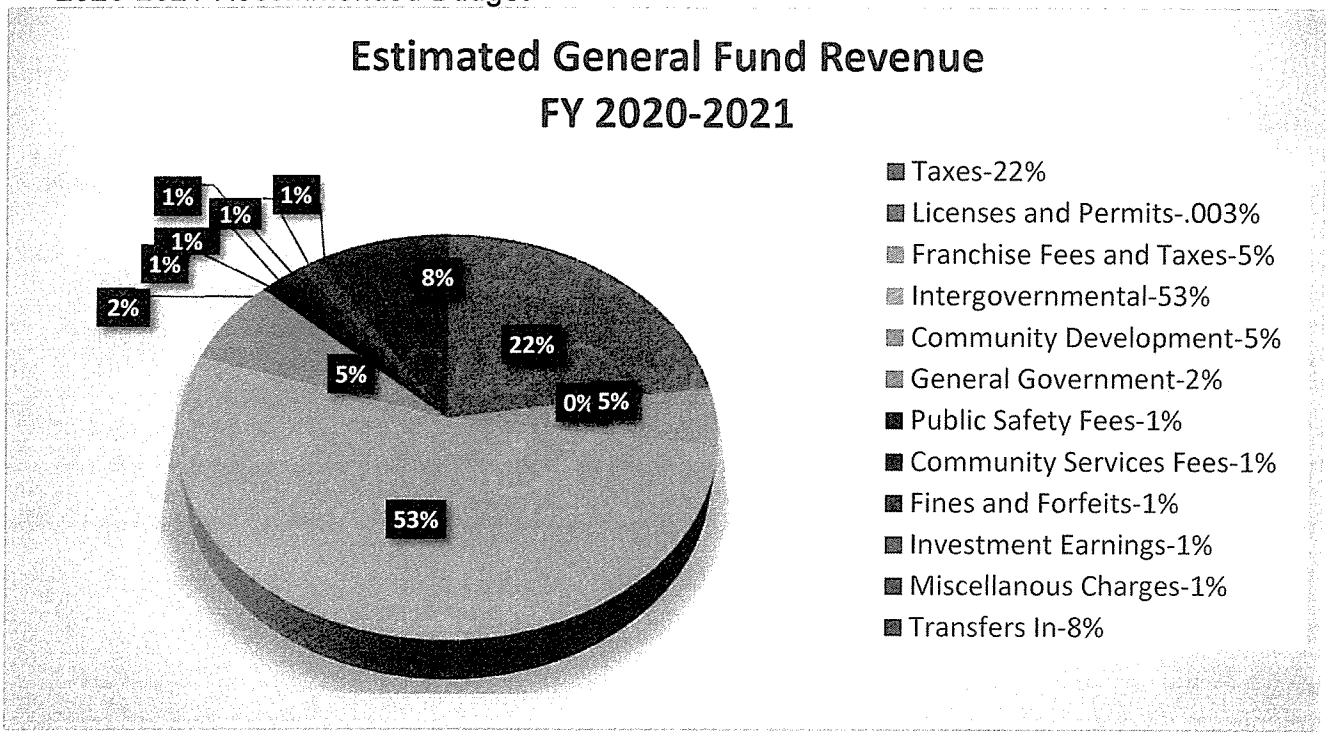
These balances *do not* include the deduction for reserve, which is currently $1,926,735. The reserve is for financial security within the fund and is changed annually based upon a percentage of revenue set aside. This formula is $500,000 plus 10% of operating revenues. This amount will be recalculated at the end of FY 2019-2020.

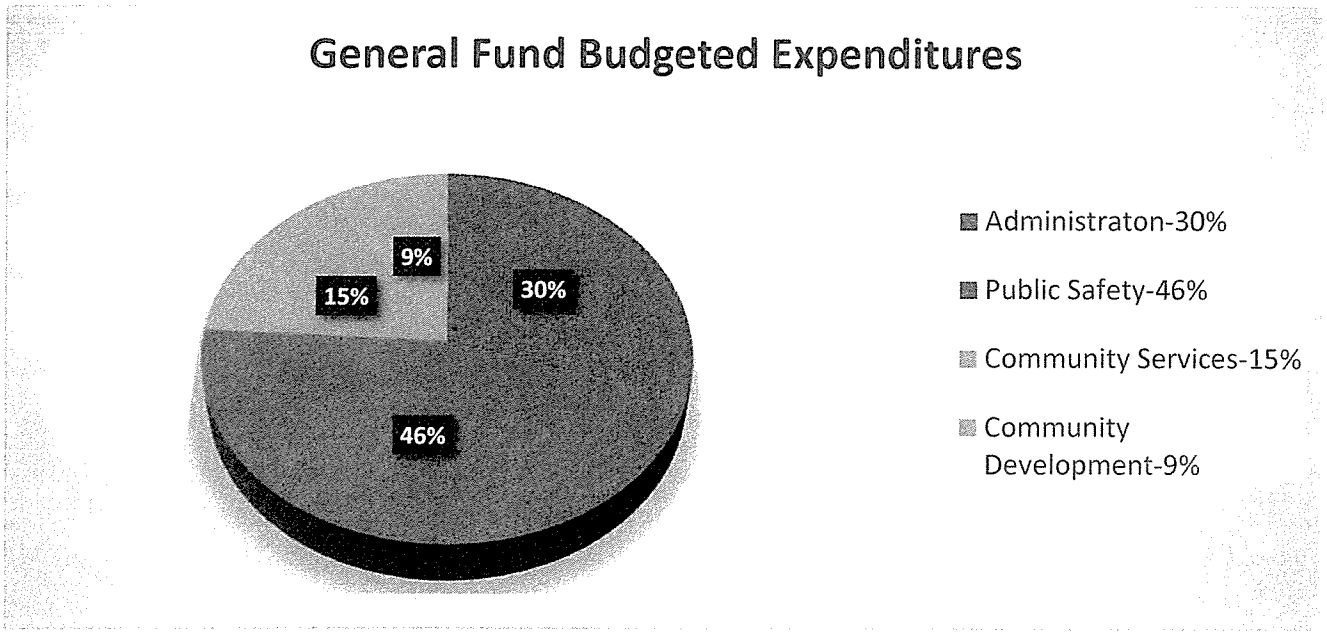
	Budgeted FY2019-2020	Projected FY 2019-2020	Budgeted FY 2020-2021
Revenue	$16,869,437	$15,884,722	$15,447,213
Expenses	$16,869,437	$15,597,196	$16,957,670

Revenues are at a conservative approach. Sales tax may come in approximately $500,000 more than budgeted.

- **General Fund Analysis**
  - General Fund Revenue
    - FY 2019-2020 Revenue/Fund Balance was budgeted at $16,369,437 in revenue and $500,000 in Fund Balance.
    - FY 2019-2020 Revenue is projected at $15,945,776, meaning the Town expects to receive nearly $484,715 less than it originally forecasted as part of the budget process last May.
      - The decrease in Revenue for FY 2019-2020 is due to anticipated decreases in sales tax, recreation revenues, state shared sales taxes due to COVID-19 impact to the economy.
  - FY 2020-2021 Revenue is anticipated to be $15,477,213, or reduction of $468,563 less than what is projected for the current fiscal year.
    - Decrease in Revenue for FY 2020-2021 is due to a decrease in sales taxes, State Shared Revenue projections, and Community Development fees related to construction.
  - Estimates for Revenues are based upon estimates from the State of Arizona as well as an analysis and projection of trends in revenue increases.
  - General Fund Expenditures
    - FY 2019-2020 Expenditure was *budgeted* at $16,869,437.
    - FY 2019-2020 Expenditure is projected to be $15,567,196.
      - Decrease in expense for FY 2019-2020 is largely due to closing Town facilities and minimal staffing. Common expenditures were not made during this period. Even with this decrease in expenses, we still anticipate revenues to exceed expenses for the FY 2019-2020 by $317,526.
    - FY 2020-2021 Expenditure is budgeted at $16,957,670
      - Increase in budgeted Expense for FY 2020-2021 is due to an increase in General Government, Public Safety, and Community Development.
      - *A decrease in revenue is cause for the Town to be critical of all expenditures. This will require a constant monitoring of expenditures in all departments. Expenditures will have to be adjusted.*
  - We will be budgeting fund balance to provide funding for the General Fund expenses. It is estimated at $1,480,457.
  - The Town has adequate fund balance to support the shortage.
  - Just because we budget expenditures, does not mean they will all be spent.
  - Monitor revenues
  - Monitor expenditures
  - Adjust expenditures as we proceed into the year

- 2020-2021 Recommended Budget





- Highway User Fund

Streets Fund Budget Summary				
	2018-2019 Actual	2019-2020 Budget	2019-2020 Projected	2020-2021 Budget
Starting Cash Balance	$ 9,740,582	$ 7,930,734	$ 8,335,215	$ 7,982,282
Operational Balance	$ 6,192,862	$ 5,898,014	$ 6,823,213	$ 7,040,280
Bond Proceeds	$ 3,547,720	$ 2,032,720	$ 1,512,002	$ 942,002
REVENUE				
Governmental Revenue	$ 3,403,777	$ 3,501,135	$ 3,597,802	$ 3,425,000
Other Revenue	$ 512,626	$ 104,000	$ 195,638	$ 298,000
Operating Transfers In	$ 8,665	$ 780	$ 780	$ 780
Total Revenue	$ 3,925,067	$ 3,605,915	$ 3,794,220	$ 3,723,780
EXPENDITURES				
Highway User Operations	$1,407,330	$1,622,295	$1,367,394	$1,651,200
Engineering	$289,040	$1,850,000	$600,000	$1,935,000
Fleet Services	$111,764	$113,950	$113,356	$326,000
Capital Projects	$2,397,705	$2,455,000	$1,119,346	$1,770,000
Operating Transfers Out	$343,992	$396,238	$459,346	$442,603
Debt Service	$487,558	$486,461	$487,711	$508,676
Total Expenditures	$5,037,388	$6,923,944	$4,147,153	$6,633,479
Ending Cash	$8,335,215	$4,612,705	$7,982,282	$5,072,583

- Enterprise Funds

Enterprise Fund Recap				
	Actual 2018-2019	**Budget 2019-2020**	**Budget 2019-2020**	**Budget 2020-2021**
Estimated Cash Balances				
Water	$7,757,925	$7,090,497	$7,246,427	$6,663,234
Wastewater	$6,017,033	$5,559,852	$6,664,241	$7,094,422
Sanitation	$1,164,737	$1,198,039	$1,115,583	$1,068,511
Total Estimated Cash Balances	$14,939,695	$13,848,388	$15,026,251	$14,826,167
Revenue				
Water	$4,333,024	$4,326,237	$4,203,001	$4,384,400
Wastewater	$4,554,850	$4,530,200	$4,173,000	$4,423,000
Sanitation	994,476	921,300	976,309	1,017,589
Total Enterprise Revenues	9,882,350	9,777,737	9,352,310	9,824,989
Expenditures				
Water	4,334,230	7,560,536	4,786,194	5,356,376
Wastewater	3,907,642	5,472,820	3,742,819	6,570,211
Sanitation	971,452	1,279,252	1,023,381	1,367,438
Total Enterprise Expenditures	9,213,324	14,312,608	9,552,394	13,089,400
Estimated Revenue over Expenditures	669,026	(4,534,871)	(200,084)	(3,469,036)
Estimated Year End Cash Balances				
Water	7,246,427	3,856,198	6,663,234	5,691,258
Wastewater	6,664,241	4,617,232	7,094,422	4,947,211
Sanitation	1,115,583	840,087	1,068,511	718,662
Total Estimated Cash Balances	15,026,251	9,313,517	14,826,167	11,357,131

- Development Impact Fees

Community Development							
Fiscal Year 2020-2021							
	6/30/2019	**2019-2020**	**2019-2020**	**6/30/19**	**2020-2021**	**2020-2021**	**6/30/21**
	Actual	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Fund Description	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**
Transportation Impact Fees	$1,020,890	$472,000	$115,000	$1,377,890	$325,500	$1,378,000	$325,390
Police Impact Fees	$846,008	$317,000	0	$1,163,008	$122,052	0	$1,285,060
Fire/EMS Impact Fees	$416,437	$411,200	0	$827,637	$143,790	0	$971,427
Parks Impact Fees	$21,212	$641,000	0	$662,212	$273,892	0	$936,104
Library Impact Fees	$126,940	$9,314	0	$136,254	$500	$136,754	0
Water Impact Fees	$2,707	$65,800	0	$68,507	$11,650	$80,000	$157
Sewer Impact Fees	$74,708	$137,600	0	$212,308	$26,000	$220,000	$18,308
Totals	$2,508,902	$2,053,914	$115,000	$4,447,816	$903,384	$1,814,754	$3,536,446

- Streetlight Improvement Districts

	6/30/19	**2019-2020**	**2019-2020**	**6/30/20**	**2020-2021**	**2020-2021**	**6/30/21**
	Actual	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Fund Description	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**
SLID #1-Anthem at Merrill Ranch	$106,376	$1,600	$29,520	$78,456	$800	$31,540	$47,716
SLID #2-Anthem at Merrill Ranch	$186,319	$2,910	$30,020	$159,209	$2,500	$31,540	$130,169
SLID #3-Anthem at Merrill Ranch	$15,457	$22,100	$27,520	$10,037	$29,050	$29,540	$9,547

SLID #4-Anthem at Merrill Ranch	0	0	0	0	0	0	0
SLID #5-Anthem at Merrill Ranch	0	0	0	0	0	0	0
Totals	$308,152	$26,610	$87,060	$247,702	$32,350	$92,620	$187,432

Councilmember Wall would like to see a breakdown of the costs for hiring an economic development person. The documents provided to Council indicted two positions and inquired if this is correct, or if has been modified to one position.

Ms. Jimenez stated that the majority of the cost is associated with salary and benefits; however, travel and memberships are included, but are minimal. She stated the two positions outlined were to provide Council with an option for which position they preferred. This position would be included with Administration.

Mayor Walter asked how revenues will be impact.

Ms. Jimenez stated that the initial estimates in revenue were published in April, which indicated a $10,000 reduction in auto lieu and state shared income taxes. The sales tax is estimated to be $3 million and she budgeted $2.5 million.

Mr. Billingsley stated that the Town filed an appeal with the Census Bureau and won the appeal. The population figures were revised, and he explains what this means for the Town in a positive way.

Councilmember Wall inquired if John Nixon will be permanently filling the Community Services Director position.

Mr. Billingsley state that Mr. Nixon will retire on June 14, 2020. An offer has been extended to fill the position.

Councilmember Wall inquired if federal or state grants were available to help offset some of the Town's emergency expenses.

Mr. Carl Dudding, Accounting Manager, stated the Town has approximately $5,000 in cleaning expenses. The Town will submit for those expenses as well as the meals on wheels for the seniors. He stated that it is uncertain if the Town will be reimbursed for those expenses. At this time only overtime expenses will be reimbursable; however, there are no employees who have worked overtime hours due to Covid-19.

Mayor Walter inquired if there were some employees who are considered essential service employees and were not allowed to have time off like those who worked alternating work schedules. She asked how they will be compensated.

Mr. Billingsley stated that this was a management decision and the salaries were compensated within the Town's analysis. The Town's intent is to have the funds to payout for that time when the crisis ends, or they can carry that emergency leave on the books. There is a concern that there may be a resurgence in the fall and the Town needs to be prepared for that as well.

Mr. Billingsley stated that the Town received grants for the PAPRs and other supplies that have come at zero cost to the Town.

Mayor Walter stated that the Town is advocating for the $174.78 per resident as part of the CARES Act should Governor Ducey releases the funding.

Councilmember Wall inquired if the Town will have a new department named "Emergency Response".

Ms. Jimenez stated that this is in preparation for the future. The Town has not had much expense this fiscal year.

There was discussion on the various line items within the Administration Budget and what has been budgeted within each of those line items.

Ms. Garcia explained what each of the line items entailed for Council, Administration and the Town Clerk's budgets. She noted the changes made from last year to this year to be more transparent.

Ms. Jimenez noted that fleet maintenance has been moved back into HURF fund from the General Fund and explained the rationale for doing so.

Mayor Walter stated that the budget does not include a salary increase for staff. Her opinion is that if the Town is going to add another position it also needs to consider a salary increase for staff as well. It is important that the employees feel valued. There was a time that employees did not receive any raises for a few years. She challenged the staff to come up with some options.

Ms. Garcia presented Council with the various scenarios with regarding to possible Cost of Living Adjustments or merit increases, which included the following:

- Cost of Living Increase (COLA)
  - Consideration of a 2% COLA Increase
    - Total cost including employee related expenses $215,700
      - General Fund Impact $177,650
      - HURF Impact $ 20,650
      - Water Fund $ 9,500
      - Wastewater Fund $ 7,500
      - Sanitation Fund $ 500
  - When COLA is given, it is usually at the beginning of the fiscal year or calendar year
- Merit
  - Consideration of a 5% Merit Increase
    - Total cost including Employee Related Expenses $540,000

- Implementation (based on anniversary date) for FY 2020-2021 at 55% of total cost $297,000
  - General Fund Impact $244,725
  - HURF Impact $ 28,400
  - Water Fund $ 13,005
  - Wastewater Fund $ 10,210
  - Sanitation Fund $ 675

- Historical pay increases in the last five years
  - FY 2019-2020 up to 5% merit
  - FY 2018-2019 up to 5% merit
  - FY 2017-2018 5% general adjustment to pay scale, no merits
  - FY 2016-2017 3% merit stipend, not tied to evaluation score
  - FY 2015-2016 3% merit stipend, not tied to evaluation score

Ms. Garcia explained that stipends do not affect an employee's retirement for any liability for future years.

Ms. Garcia stated that Council can elect as to how it wants to proceed. She provided various scenarios of ways to do increases and it can be anything from liberal to restrictive. She stated that they did a salary cost and compensation for a third of the employees which consisted of fleet, dispatch, and wastewater, as well as added the Economic Development Director to the salary scale. They will evaluate a different third of positions next year and the following year to ensure that the Town remains competitive.

Mayor Walter stated that the Town has improved, overtime costs have decreased, and it shown in the figures.

Discussion occurred amongst Council regarding possible COLAs and merit increases for employees in the upcoming fiscal year, the addition of adding an Economic Development Director position and the financial impact that COLAs and merit increase may have on utilizing some of the reserves.

Councilmember Cordes inquired if there are any employees who are capped out at their salary range.

Mr. Billingsley stated that there are no employees capped out at this time. He said if there were, they would be capped at whatever their position is and would not receive a raise.

Councilmember Cordes stated it is important that those employees who are at the top of their scale still have an opportunity for an increase. It is those employees who have longevity or a certain set of skills that moved them up the scale.

Councilmember Larsen inquired what other communities similar to the Town's size are doing with regards to increases for their employees.

Ms. Garcia stated there are some who will provide merit increases, while others have done furloughs and layoffs. It is dependent on their revenues. She stated that there is not a database

that shows what other comparable sized communities are doing. Staff would need to poll each community to find out what type of increases, if any, they are considering for their employees.

Ms. Garcia discussed the various raises, COLAs, and stipend that have been provided to staff in the past. She discussed what the Town has done with their salary scale to remain competitive. She suggested that Council move the entire scale 5% to remain competitive.

Mr. Billingsley stated that he is directing staff to do the comparisons with the 13 surrounding communities of what they are doing/not doing for their employees. He will work with the Finance Director and will present three options to Council, such as one that will adjust the scale, COLA-related and merit-related.

Ms. Garcia stated that there is now a timetable created for each project which outlines which quarter the project will be reviewed. They will be looking at when revenue comes in to determine when money can be expended. The goal is to be more in balance next year than this year and not to dip into the reserves.

Ms. Jimenez stated that everything is contingent upon the economy. Staff has been diligent to be cognizant of their expenditures. Covid-19 has had a huge impact on the economy and the Town will monitor everything very closely.

Ms. Jimenez will be drafting a policy on how and when the Town can dip into the reserves. This is still in its infancy and will come before Council in the future.

Ms. Jimenez outlined the budget calendar, which includes:

- CIP budget for adoption	June 1, 2020 Council Meeting
- Tentative Budget	June 15, 2020 Council Meeting
- Expenditure Limitation	June 15, 2020 Council Meeting
- Final Budget	July 6, 2020 Council Meeting
- Tax Levy	July 20, 2020 Council Meeting

Mr. Billingsley stated that Town will not increase taxes this fiscal year. He thanked Council for their understanding with regards to the limitations in the budget process.

Mayor Walter stated that an email was received, and it prompted staff to look at how the Town can help businesses during the Covid-19 pandemic and assist the youth.

Ms. Garcia stated that staff was challenged on how they could spend the $5,000 that was budgeted for the Grad Night Senior Lock In. Options include:

- Refund the 2020 business license fees to any brick and mortar business located in Florence who was required to close their doors per Governor Ducey's Executive Order because of Covid-19.
    - Total number of businesses to receive refund may change based on criteria and vetting of the list.
- Youth scholarships
    - Use $1,000 for sports scholarships
        - Can provide up to $100 per scholarship

- Funding does not have to stay within the community but must be awarded to a youth member who lives within our community.

- Partner with the Michelle Gallagher Foundation to read essays and assist in awarding the scholarships.
  - Michelle Gallagher Foundations contributes a portion of their proceeds from their annual softball tournament to the Town of Florence Parks and Recreation programs for scholarships for the youth to participate in sports.
  - Due to Covid-19, the Michelle Gallagher Foundation is looking to do a virtual softball tournament since they cannot have a live tournament and are coming up with creative ways to raise funds.

Mayor Walter stated that the estimate for business license refunds is approximately $2,700 and the $1,000 in scholarships equates to $3,700. She asked Council for their input on how they would like to spend the remaining $1,300.

Mayor Walter inquired if the Town could hold off on the new leases for the Silver King Market Place, due to the Covid-19 pandemic in light of the financial issues that small businesses are facing.

Ms. Garcia stated that the Town has forgiven rent to the Town's tenants during the time frame that the businesses were required to remain closed. The Town also provided relief for an additional 17 days in May, with rent starting on June 1, 2020. She stated that based on the uncertainties coming forward, staff can track what the economy is doing and come before Council with a recommendation to move forward with the leases effective November 1, 2020 if it is feasible. She noted that the summer rates will not be in effect this summer as it is part of the new lease but will be in effect for the following summer.

Mayor Walter inquired if the Town could provide a 10% or 20% discount to the renters and use the remaining $1,300 to offset the cost.

Vice-Mayor Anderson stated that if they provide a benefit to one business, they need to offer the benefit to all businesses otherwise, this conflicts with the gift clause.

Mr. Clifford L. Mattice, Town Attorney, explained that there are options in which to assist those who had to close down due to Covid-19; however, caution must be exercised, and you cannot provide a substantial benefit without the Town receiving something concrete.

Councilmember Cordes would like to see the youth scholarships expanded for other options other than sports only such as camps or gaming. She would like this to be open to every youth to pursue their passion, whatever it may be.

Councilmember Cordes stated that the renters would not be receiving a gift but rather they are just postponing the start of the new lease and its terms so it would not be an issue with the gift clause.

Discussion occurred on the lease rates for the Town-owned buildings.

Ms. Garcia stated that the rates need to remain consistent with what was advertised in the Request for Proposals (RFP).

Ms. Jennifer Evans, Management Analyst, stated that the rent is not included in the RFP and will be subject to the revised fees, while the current renters will remain status quo until such time that the new leases take effect.

Mayor Walter inquired when were the responses for the RFP due.

Ms. Evans stated that the responses were due by April 27, 2020.

Discussion occurred on how the businesses will be able to bounce back from this pandemic.

Vice-Mayor Anderson asked that staff come back to recommendations on how they can assist businesses downtown, while still complying with the law.

Councilmember Larsen inquired if there will be a meeting on July 6, 2020.

Mr. Billingsley stated there will be a meeting on July 6, 2020 because of budget timelines.

ADJOURNMENT

On motion of Councilmember Cordes, seconded by Councilmember Larsen, and carried (6-0) to adjourn the meeting at 8:40pm.

Tara Walter

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 May 26, 2020, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk