

MINUTES OF THE TOWN OF FLORENCE SPECIAL COUNCIL MEETING HELD ON MONDAY, JULY 6, 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.

CALL TO ORDER

Vice-Mayor Anderson called the meeting to order at 6:00 pm.

ROLL CALL:

Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes

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.

Ms. Lorraine Lopez-Salazar, Florence Resident, submitted a request to decrease the speed limit from 25 miles per hour (mph) to 10 mph in her neighborhood. She has spoken with the Police Department regarding this issue and they referred her to the Council.

Mayor Walter asked that this issue be reviewed and that staff provide feedback to the Council at the next Council meeting.

ADJOURN TO MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

On motion of Councilmember Larsen, seconded by Vice-Mayor Anderson, and carried (6-0) to adjourn to Merrill Ranch Community Facilities District No. 1.

Public hearing to receive citizens' comments on the property tax levy of the Merrill Ranch Community Facilities District No. 1; and first reading of Ordinance No. MRCFD1 117-20,

Chairman Walter read Ordinance No. MRCFD1 117-20 for the record.

AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE 2021.

Ms. Becki Jimenez, District Treasurer, stated that the estimates for debt service and maintenance and operations have been set forth and is set at \$1.9855 per \$100 Net Assessed Valuation (NAV). The rate for debt service (Debt Service Fund) for General Obligation Bonds is \$1.6855 per NAV, or an estimated \$552,717. The rate for the operations and maintenance (Administrative Fund) is \$0.30 per NAV, or an estimated \$98,377. The total levy is for \$651,094 at a rate of \$1.986 per \$100 NAV.

Ms. Jimenez stated that this levy is different from last year as it is lower. The District had excess funds that had to be used to adhere to the new State limitation on levies. It also had a compounding problem this year because it had to pay back funds due to Pinal County's valuation. This created additional levy to provide enough funds to pay the debt service.

Chairman Walter opened the public hearing. There being no public comments, Chairman Walter closed the public hearing.

Public hearing to receive citizens' comments on the proposed final budget for Merrill Ranch Community Facilities District No. 1; and possible adoption of Resolution No. MRCFD1 142-20.

Chairman Walter read Resolution No. MRCFD1 142-20 for the record.

A RESOLUTION OF THE MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2020-2021.

Ms. Jimenez stated that the proposed budget that has been set forth is comprised of four different funds: capital outlay, assessment debt service, GO Debt Service, and Administrative Debt Service Fund.

Ms. Jimenez stated that she has budgeted \$2 million in capital, which will be dependent if they have bonding this fiscal year. The total budgeted expenditures are \$3,351,781.

Chairman Walter opened the public hearing. There being no public comments, Chairman Walter closed the public hearing.

On motion of Vice-Chairman Anderson, seconded by Boardmember Larsen, and carried (5: Walter, Anderson, Wall, Larsen, Hughes; 1: Cordes) to adopt Resolution No. MRCFD1 142-20.

Discussion/Approval/Disapproval of the Merrill Ranch Community Facilities District No. 1 February 18, March 16 and April 15, 2020 Special Meeting minutes.

On motion of Vice-Chairman Anderson, seconded by Boardmember Larsen, and carried (6-0) to approve the Merrill Ranch Community Facilities District February 18, March 16 and April 15, 2020 Special Meeting minutes.

ADJOURN FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

On motion of Boardmember Larsen, seconded by Boardmember Hughes, and carried (6-0) to adjourn from Merrill Ranch Community Facilities District No. 1.

ADJOURN TO MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

On motion of Councilmember Larsen, seconded by Vice-Chairman Anderson, and carried (6-0) to adjourn to Merrill Ranch Community Facilities District No. 2

Public hearing to receive citizens' comments on the property tax levy of the Merrill Ranch Community Facilities District No. 2; and first reading of Ordinance No. MRCFD2 217-20.

Chairman Walter read Ordinance No. MRCFD2 217-20 by title only.

AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE 2021.

Ms. Jimenez stated that the estimates for debt service and maintenance and operations have been set forth. The rate for debt service (Debt Service Fund) for General Obligation Bonds (GO) is \$3.25 per Net Assessed Valuation (NAV), or an estimated \$767,514. The rate for the operations and maintenance (Administrative Fund) is \$0.30 per NAV, or an estimated \$70,847. The total levy is for \$838,361 at a rate of \$3.55 per \$100 NAV.

Ms. Jimenez stated that they no longer have excess funds to pay for the debt service as the Board is adhering to the State limitations. The exact amount that is needed to pay for the debt service is what is levied.

Chairman Walter opened the public hearing.

Boardmember Cordes stated that she is not in favor of raising the taxes and does not agree with the increase.

Chairman Walter stated no one is in favor of increasing taxes. In the past. It has been \$3.25 per \$100 NAV.

Ms. Jimenez stated that the GO levy and Admin levy have not changed in Merrill Ranch Community Facilities District No. 2 over the past years.

Chairman Walter stated, if this item is not passed, there will not been enough funds in which to make their payments which is the Board's legal obligation.

Vice-Chairman Anderson inquired if this is a tax increase.

Ms. Jimenez stated that there is no increase; they are at their maximum amount to levy.

Chairman Walter closed the public hearing.

Public hearing to receive citizens' comments on the proposed final budget for Merrill Ranch Community Facilities District No. 2; and possible adoption of Resolution No. MR CFD2 241-20.

Chairman Walter read Resolution No. MR CFD2 241-20 by title only.

A RESOLUTION OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2020-2021.

Ms. Jimenez stated that the proposed budget that has been set forth is comprised of four different funds: capital outlay, assessment debt service, GO Debt Service, and Administrative Debt Service Fund. She has budgeted for the possibility of issuing bonds this fiscal year. The total budget for MR CFD No. 2 is \$4,493,792.

Chairman Walter opened the public hearing.

Mr. Gordan Lieman, Florence Resident, inquired what the previous rates were.

Ms. Jimenez stated that it has been \$3.25 per \$100 NAV on the GO levy and \$0.30 on the Admin levy.

Chairman Walter closed the public hearing.

On motion of Vice-Chairman Anderson, seconded by Boardmember Larsen, and carried (5: Walter, Anderson, Wall, Larsen, Hughes: 1: Cordes) to adopt Resolution No. MR CFD2 241-20.

Discussion/Approval/Disapproval of the Merrill Ranch Community Facilities District No. 2 June 15, 2020 Special Meeting minutes.

On motion of Vice-Chairman Anderson, seconded by Boardmember Cordes, and carried (6-0) to approve the Merrill Ranch Community Facilities District No. 2 June 15, 2020 Special Meeting minutes.

ADJOURN FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

On motion of Vice-Chairman Anderson, seconded by Boardmember Cordes and carried (6-0) to adjourn from Merrill Ranch Community Facilities District No. 2

PUBLIC HEARINGS

Public hearing to receive citizens' comments on the property tax levy of the Town of Florence; and first reading of Ordinance No. 695-20.

Mayor Walter read Ordinance No. 695-20 by title only.

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF FLORENCE SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH \$100 OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE 2021.

Ms. Becki Jimenez, Finance Director, stated that the Town will levy the same amount as last year. The rate for last year was \$1.0740 per \$100 of Net Assessed Valuation (NAV). The proposed property tax rate is \$1.0585 per \$100/NAV. At the proposed rate of \$1.0585, the proposed property tax levy for the 2019-2020 Fiscal Year is \$1,166,611. It did not require a truth in taxation hearing because the Town is not levying any more than they did last year.

Mayor Walter stated that in past years, the Town has worked on decreasing the levy and inquired what those amounts were.

Ms. Jimenez stated that they have not decreased the levy, but rather increased it slightly most years. The levy will not be increased this fiscal year.

Mayor Walter stated that there has been a decrease in previous years.

Ms. Jimenez stated that it would depend on the net assessed valuation. She would need to go back and do statistics on this.

Mayor Walter asked Mr. Billingsley to provide feedback.

Mr. Brent Billingsley, Town Manager, stated that it comes down to nomenclature. The Town has maintained the levy amount by decreasing the rate which is dependent on the net assessed valuation. The town has balanced the rate in order to not increase the levy.

Mayor Walter opened the public hearing. There being no public comments, Mayor Walter closed the public hearing.

Public hearing to receive citizens' comments on the secondary property tax for the Fiscal Year 2020-2021 for Anthem at Merrill Ranch Street Light Improvement District #1, Anthem at Merrill Ranch Street Light Improvement District #2 and Anthem at Merrill Ranch Street Light Improvement District #3; and first reading of Ordinance No. 696-20.

Mayor Walter read Ordinance No. 696-20 by title only.

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING A SECONDARY PROPERTY TAX FOR THE FISCAL YEAR 2020-2021 FOR ANTHEM AT MERRILL RANCH STREET LIGHT IMPROVEMENT DISTRICT #1, ANTHEM AT MERRILL RANCH STREET LIGHT IMPROVEMENT DISTRICT #2 AND ANTHEM AT MERRILL RANCH STREET LIGHT IMPROVEMENT DISTRICT #3.

Ms. Jimenez stated that the Town of Florence levies a secondary property tax for the three Street Light Improvements Districts located in the Merrill Ranch Development.

For the last several years, we have not levied a secondary tax in the Districts. There have been ample funds to pay for the electrical costs in each of the Street Light Districts. This year, Street Light Improvement District No. 3 has diminished its funds and we must levy \$29,000 in a secondary tax to provide continued service for that district. The proposed rate of \$.1433 per \$100 of Net Assessed Valuation (NAV).

Mayor Walter opened the public hearing. There being no public comments, Mayor Walter closed the public hearing.

Public hearing to receive citizens' comments on the proposed final budget for Fiscal Year 2020-21; and Discussion/Approval/Disapproval of Resolution No. 1740-20.

Mayor Walter read Resolution No. 1740-20 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR THE FISCAL YEAR 2020-2021.

Ms. Jimenez stated over the course of several months, staff, the Budget Committee, and the Town Council have worked to develop the final budget. The Town Council approved a Tentative Budget on June 15, 2020 in the amount of \$47,075,242. This is the first year under permanent base adjustment. The capital expenditure amount is \$32,251,744. The budget excludes the Merrill Ranch Community Facilities District No.1 and Merrill Ranch Community Facilities District No. 2 because they are political subdivisions of the Town.

Ms. Jimenez stated that this budget will be monitored closely to ensure that the Town does not exceed its cap and to ensure that they adjust for any expenditures that may/may not need to make.

Mayor Walter opened the public hearing.

Councilmember Hughes inquired about the overage of \$108,258 in the Community Development Services budget and also inquired if the Community Development Services and Community Services the same department.

Ms. Jimenez explained that Community Development Services and Community Services are different departments. She explained that the overage is from the increase in housing development which required additional services and personnel. She stated that they compensated in the General Fund because some budgets came in under budget. There was no way of knowing how the housing market would explode.

Councilmember Hughes inquired if there were any salary increases in the Community Development Services.

Ms. Jimenez stated that there were some salary increases towards the end of the year.

Mr. Billingsley stated that they reorganized the Community Development Department and created a position for a Fire Marshal. The Fire Marshal position was deducted from the Fire Department Budget and added to the Community Development Department. The Community Development Director is also the Fire Marshal, which will result in a cost savings. The Fire Department Budget decreased, and the Community Development Department increased because of that change.

Councilmember Hughes inquired what budgets Ms. Jimenez took funds from to offset the over expenditure.

Ms. Jimenez stated that she utilized funds from Police Support Services because they had not hired staff. This was discussed with the Police Chief Walls. She also took funds from the Finance Department's budget because they cut back on staff and consolidated work. There was ample budget to compensate for the over expenditure in the Community Development Department.

Councilmember Hughes asked what Police Support Services mean.

Ms. Jimenez explained that Police Support Services include the communication center and dispatchers.

Councilmember Hughes inquired how much of the Finance Department's budget was used.

Ms. Jimenez stated that she used approximately \$30,000 from the Finance Budget.

Councilmember Hughes inquired if Larry Harmer is still on salary.

Mr. Billingsley stated that Larry Harmer is a part time employee now.

Councilmember Hughes inquired if his salary comes out the Community Development's budget.

Mr. Billingsley stated that his salary is part of the Community Development's budget.

Councilmember Hughes inquired what the amount is.

Mr. Billingsley stated that he does not have that amount readily available.

Councilmember Hughes asked that the information be provided to her.

Ms. Jimenez stated that she will provide her the information on the following day.

Vice-Mayor Anderson inquired if Larry Harmer receives fringe benefits.

Mr. Billingsley stated that they will provide him the information at a different time. He stated there are two different types of season part time employees and permanent part time. There are federal guidelines which require that the Town provide benefits if they work more than 30 hours.

Councilmember Hughes inquired if this item can be tabled until July 20, 2020.

Ms. Jimenez stated she is unable to levy on July 20, 2020 that if the budget is not adopted at this meeting. She has to have 14 days between adoption of the budget and the levy.

Councilmember Hughes stated until she has all of the numbers in front of her, she does not feel that she will be comfortable voting yes. She stated that she is just one vote.

Councilmember Cordes inquired if the Fire Department's budget decreased because the Fire Marshall position is no longer allocated to that budget.

Mr. Billingsley stated that the Fire Department requested two positions in last year's budget: a third battalion chief and a fire marshal. The battalion chief was rejected, and the fire marshal was approved by Council, but only by the mid-year. When it came time to advertise for the position and they received the applicants for the Community Development Director, they opted to not hire the fire marshal position, but rather combine the position to get more bang for the buck and have a Community Development Director who is also the Fire Marshal.

Councilmember Hughes inquired what the \$183,225 in expenditures in the Economic Development was spent on.

Ms. Jimenez stated that she will need to provide Councilmember Hughes a breakdown at a later time.

Councilmember Hughes stated that she understands that the funds for FY19-20 were depleted and stated that a portion was used for salaries that were not for an Economic Development person. She stated that it is her understanding that the upcoming budget has funding allocated for an Economic Development Director position for Fiscal Year 2020-2021. She wants to know what happened to funds for Fiscal Year 2019-2020.

Ms. Jimenez stated that the funds were used as prescribed, including Chamber of Commerce payments along with salary for the person that was utilized for economic development. Since then, the position has been transferred to the Town Manager's budget.

Mr. Billingsley stated that the individual is part of the Administrative staff and was paid for out of the economic development budget which was approved by Council. The budget has been changed and the individual is in the Administration Department.

Vice-Mayor Anderson stated that some of the legal fees for the buildings in the downtown area as well as the Chamber fees were paid for from the Economic Development Fund.

Mr. Billingsley stated that there were a number of things such as marketing that were paid for from that budget.

Ms. Jimenez stated that she can provide Council the detail of expenditures for that budget.

Mayor Walter stated that the Town has continued to budget funding for the façade grant, fire sprinkler grant, and the wireless fire alarm system in the downtown area. She asked that Mr. Billingsley elaborate on the programs so that people may be aware and apply for funding.

Mr. Billingsley stated that the Façade Program began three years ago, at the request of the Council. The Town developed a partnership with the IDA to administer the Program. A few applications have been received but no one has gone forward with the project under this program.

Mr. Billingsley stated that an internal request was received last year from the Community Development Department to provide a similar grant to assist with fire sprinklers with buildings in the downtown area. Council budgeted funds for that program last year. An agreement was made with the IDA to administer that program as well. It is his understanding that no one has applied for funding.

Mr. Billingsley asked that anyone interested in applying for funding to contact the IDA. They can also contact Ms. Jennifer Evans, Management Analyst, who will be able to assist them as well.

Mr. Billingsley stated the wireless fire alarm program has been very successful, with a total of nine buildings online. A variety of business in the downtown area, including the Town-owned buildings, are online.

Mr. Billingsley explained that the Town installed a fire alarm panel in the downtown area and pays for the ongoing monthly cost for monitoring, which dispatches to the Fire Department. This allows for individual that have a building in the downtown to have a commercial grade fire alarm for a quarter or third of the cost of what a typical fire alarm would be for a commercial building. The system is wireless which is safe and will not disturb the historic buildings. He noted that the alarms are a requirement per the International Fire Code.

Mr. Billingsley stated that the vendor which is used is part of the Smart Cities Initiative. They come out, survey the building, and provide a parts list and design to the building owner. The program has been very successful.

Mayor Walter stated that the Council has set aside money to move the dumpsters from Heritage Park. She asked Mr. Billingsley to elaborate on this project.

Mr. Billingsley stated that this is the second year of the eco-station project. The Town purchased two pieces of property adjacent to the Public Works yard last year to locate the eco-station, water barn and utilities yard. An architect has been hired to do a design of the facilities. There are funds included in the CIP Budget to construct part of the facilities in the 2020-2021 fiscal year.

Mayor Walter stated that in Fiscal Year 2019-2020, Council requested that staff develop a partnership program for additional special events. Unfortunately, Covid-19 had a negative impact on special events, specifically the Music Festival, which had low participation because of

the coronavirus. The Arts Festival had to be cancelled as well. She inquired if monies have been budgeted for FY2020-2021 for these events.

Mr. Billingsley stated that funds were set aside for both events. Request for Proposal (RFP) was sent out for the Music Festival and had no responses. The RFP was modified and sent out again and received one proposal. Partnerships were developed and the RFP was awarded through Council's approval. The event took place right when Covid-19 first hit and the attendance was low because of this; however, it was a great event.

Mr. Billingsley stated that the Arts Festival was scheduled to occur in April 2020 and has been moved to the fall providing that things have subsided with Covid-19. Funding is included in the FY2020-2021 budget for this and other events.

Mayor Walter stated that the businesses have expressed a desire to have other events such as re-enactments that may be tied into the Third Friday events. She asked that Mr. Hezekiah Allen, Community Services Director, set up a meeting with business owners to discuss this further.

Mr. Hezekiah Allen, Community Services Director, stated that he would set up a meeting and would foster those relationships.

Councilmember Cordes stated that she, along with Vice-Mayor Anderson, were part of the Budget Committee and left the budget status quo so the new Community Services Director would have a budget to continue with what the Town has started.

Vice-Mayor Anderson stated that there is a remodeling project in the downtown area, and they will be installing a sprinkler system. He inquired if the promoters of the Music Festival lost money on the event; and if so, can the Town assist them with the Covid-19 funding received.

Mr. Allen stated that the Town provided \$24,500 seed money for the event, and this covered the cost of the event.

Councilmember Larsen thanked the Budget Committee for leaving the funding intact.

Councilmember Cordes inquired how the approval of the budget will move forward if Councilmember Hughes is requesting more information and they are deadlines that need to be met in order to approve the levy on July 20, 2020.

Mayor Walter stated that the way they move forward is that she wants to remind everyone that Council has the ability to communicate with staff and ask questions. She also asked Mr. Billingsley what percentage of the entire budget is in question.

Mr. Billingsley stated that the entire budget is approximately \$47,000,000 and the items that Councilmember Hughes is questioning is approximately \$100,000, which equates to less than 1%. His recommendation is to vote on the budget at this meeting, but it is up to Council on how they would like to proceed. They have been discussing this budget for quite some time. Staff will provide Councilmember Hughes the requested information; however, staff does not have the ability to access that specific information at a Council meeting.

Vice-Mayor Anderson stated that the questions posed by Councilmember Hughes are technical issues and do not affect the budget. The questions posed are not a reason to hold up the budget.

He would still like for the questions to be answered.

Mayor Walter stated that the motion, second and vote is up to each individual Councilmember and each Councilmember is one vote.

Councilmember Cordes inquired what percentage \$200,000 is for the overall budget.

Mr. Billingsley stated that \$200,000 is 0.0042%.

Ms. Jimenez stated that if they had extra time for the levy then this would not be an issue; however, it is required that the levies be to Pinal County by July 27, 2020 and the adoption of the levies are set to go before Council on July 20, 2020.

Mayor Walter closed the public hearing.

On motion of Councilmember Cordes, seconded by Councilmember Wall, to adopt Resolution No. 1740-20.

Roll-Call Vote:

Mayor Walter: Yes

Vice-Mayor Anderson: Yes

Councilmember Hughes: No

Councilmember Cordes: Yes

Councilmember Larsen: Yes

Councilmember Wall: Yes

Motion Carried: Yes: 5; No; 1

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. **Motion to authorize, approve and ratify an Application to Intervene by the Town of Florence in the matter of the application of Johnson Utilities, L.L.C., through its Interim Manager, EPCOR Water Arizona, Inc. for a determination of the fair value of its water and wastewater utility plant and property, for increase in its rates and charges for water and wastewater utility service, and for related approvals (Docket No. WS-02987A-20-0025), including that the Town Manager, the Attorneys for the Town and other officers of the Town, on behalf of the Town, are authorized and directed to do all acts and things and to execute, file and deliver all notices, certificates, filings, pleadings, correspondence, agreements and other documents as may be necessary or convenient to carry out the terms and intent of this authorization. (Clifford L. Mattice)**
- b. **Approval of accepting the register of demands ending May 31, 2020, in the amount of \$1,983,331.86. (Becki Jimenez)**

Councilmember Larsen requested that Item A be removed from the Consent Agenda.

Councilmember Hughes requested that Item B be removed from the Consent Agenda.

- a. **Motion to authorize, approve and ratify an Application to Intervene by the Town of Florence in the matter of the application of Johnson Utilities, L.L.C., through its Interim Manager, EPCOR Water Arizona, Inc. for a determination of the fair value of its water and wastewater utility plant and property, for increase in its rates and charges for water and wastewater utility service, and for related approvals (Docket No. WS-02987A-20-0025), including that the Town Manager, the Attorneys for the Town and other officers of the Town, on behalf of the Town, are authorized and directed to do all acts and things and to execute, file and deliver all notices, certificates, filings, pleadings, correspondence, agreements and other documents as may be necessary or convenient to carry out the terms and intent of this authorization.**

Mr. Clifford L. Mattice, Town Attorney, stated that the item for the intervention is one of several proceedings in front of the Arizona Corporation Commission (ACC) involving Johnson Utilities. If approved, this will allow the Town to intervene and participate. There is a certain level of obligation when someone intervenes in one of these proceedings. There is involvement with the Town's ACC lawyer, Dickenson Wright. He is not extensively involved when the Town intervenes; however, there is a requirement from the ACC for him to monitor the proceedings and attend hearings. The particular item states that the Interim Manager for Johnson Utilities is Epcor Water Arizona. They are opening up this proceeding to increase the rates.

Mr. Billingsley stated that Councilmember Cordes reached out to him to see if the Town has reached out to Supervisor Goodman because he is involved and a lot of the issues regarding Johnson Utilities are in his District. Supervisor Goodman has testified at the ACC on behalf of Pinal County. He spoke with Supervisor Goodman and confirmed that both the Town and Pinal County are on the same page. Pinal County has intervened as well. The Town is tracking all of the proceedings.

On motion of Councilmember Cordes, seconded by Vice-Mayor Anderson, and carried (6-0) to authorize, approve and ratify an Application to Intervene by the Town of Florence in the matter of the application of Johnson Utilities, L.L.C., through its Interim Manager, EPCOR Water Arizona, Inc. for a determination of the fair value of its water and wastewater utility plant and property, for increase in its rates and charges for water and wastewater utility service, and for related approvals (Docket No. WS-02987A-20-0025), including that the Town Manager, the Attorneys for the Town and other officers of the Town, on behalf of the Town, are authorized and directed to do all acts and things and to execute, file and deliver all notices, certificates, filings, pleadings, correspondence, agreements and other documents as may be necessary or convenient to carry out the terms and intent of this authorization.

- b. **Approval of accepting the register of demands ending May 31, 2020, in the amount of \$1,983,331.86.**

Councilmember Hughes inquired why the Town paid \$1,959.37 in liabilities for State Fines.

Ms. Jimenez stated that those are monies that are collected for the Arizona Supreme Court Fines.

On motion of Councilmember Hughes, seconded by Councilmember Cordes, and carried (6-0) to accept the register of demands ending May 31, 2020, in the amount of \$1,983,331.86.

NEW BUSINESS

Resolution No. 1744-20

Mayor Walter read Resolution No. 1744-20 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, TO ACCEPT \$3,148,226 FROM THE GOVERNOR'S AZCARES FUND AND AUTHORIZE THE TOWN MANAGER AND/OR HER DESIGNEE TO EXECUTE ALL DOCUMENTS AND TO TAKE ALL OTHER STEPS NECESSARY TO FACILITATE THE ADMINISTRATION OF THE GRANT AWARD. (Benjamin Bitter)

Ms. Benjamin Bitter, Intergovernmental and Communications Manager/PIO, stated the State requires a resolution to be submitted with their paperwork for the Town to receive the funds that are designated for the Town of Florence. Staff is complying with the paperwork aspect for the submittal. The Town still does not have a defined plan or program in terms of what the Town will do with the Cares Act funding due to the legal opinions that exist. The League of Arizona Cities and Towns asked the Governor's Office as well as the Attorney General's office as to whether or not the funds can be redistributed to the community after the Town receives it. Both have declined to provide an opinion as to whether or not the distribution would be legal whether or not it will violate the Arizona Constitution Gift Clause.

Mr. Bitter stated that the Town needed to take a more cautious approach and has seen what other communities (Phoenix, Mesa, Maricopa County, Tucson, and Pima County) who received funding has done with the monies. The Town is waiting to see if there will be any legal challenges if they disburse funding to other entities. The Town is also reviewing the guidance that the United States Department of Treasury has issued in terms of how the monies should be spent. The Town will continue to develop the program. The Town is receiving the funds because of its public safety costs over the course of the Covid-19 crisis. In order to receive the \$3.1 million, the Town has to prove that its cost for police and fire from the beginning of March through December 31, 2020 will total more than the \$3.1 million. The government is technically reimbursing the Town its costs for fighting the Covid-19 crisis. The Town wants to provide a portion to the community and Council has heard discussion but wants to ensure that there are no issues; otherwise they would need to pay those funds back and it would come out of the General Fund.

Mr. Bitter stated that the Town wants to ensure that the monies are used how they were intended for and wants to boost the community as well.

Councilmember Cordes inquired if it will come before Council as to how the funds are to be distributed once the monies are received.

Mr. Bitter stated that the Town would like to develop a program and present it to Council as to how the funding will be utilized; however, staff is being cautious as to when this will happen because there are so many things that are unknown. The Town does not want to be in a position where it will need to pay back funding.

Vice-Mayor Anderson stated that a budget meeting will be needed prior to coming before the Council. It is important to review all of the legal requirements that must be adhered to.

Councilmember Larsen suggested that a work session be held rather than a Budget Committee Meeting so that all councilmembers can be made aware of the requirements.

Mayor Walter asked that staff schedule a work session in July or August.

Mr. Bitter stated that staff will schedule a work session.

On motion of Councilmember Cordes, seconded by Councilmember Wall, and carried (6-0) to adopt Resolution No. 1744-20.

MANAGER'S REPORT

Mr. Billingsley stated that Hezekiah Allen is the new Community Services Director and started with the Town two weeks ago. He has a variety of ideas for the community. Most recently, hosted a cemetery clean up at 5:00 am. He comes from Cottonwood and was the Interim Director for Parks and Recreation and was their Recreation Services Supervisor. He and his family are looking to relocate to Florence.

Mr. Billingsley stated that the Town received a Federal Transit Administration (FTA) 5310 grant for the second year. The grant is to assist the elderly and disabled with transportation. The Town was awarded the full grant plus \$20,700 in supplementary funds.

Mr. Billingsley stated that the Town has received several calls regarding obtaining Wi-Fi so that they can watch the Council meetings or for their children attending school online. He stated that the Town of Florence offers free Wi-Fi in the downtown area. In addition, the library has boosted their signal and it now carries outside of the building. They have a different provider than the Town.

Mr. Billingsley stated that Covid-19 is the dominating topic. He stated that the cases have doubled statewide and locally. He stated that the State set a record with 50,000 confirmed cases in Arizona two weeks ago and we have now doubled that amount. The concerning issue is the number of positive tests that are consistently being maintained statewide and locally. The positive test percentage should be less than 5%; however, Florence is at 25.5%. The positive test results continue to increase on a daily basis. The prisons have stayed pretty consistent, but the cases continue to go up within our zip code. He said the ICUs at emergency rooms are full within the metroplex.

Mr. Billingsley stated that many employees' family members work in the healthcare profession and are working five 12-hour shifts. He stated not only is Arizona lacking facilities but staff as well.

Mr. Billingsley stated that Mountain Vista and Florence Hospital have a new Chief Operations Officer. He will provide a presentation to Council at the July 20, 2020 Town Council Meeting.

Mr. Billingsley stated that sales tax collections are down and are collecting 40% less in restaurant tax than last year. HURF collections are down by 20%. He stated that there is a lot less congestion in the metropolitan areas which is good for our environment; however, there is less gas being purchased which results in less revenue being collected. Building permits are staying the same. Florence hasn't felt the hit because building has remained strong. Pulte and DR Horton are above what they estimated their sales were going to be.

Mr. Billingsley stated that there have been decreases in the correctional industry because courts have been shut down. The Florence Prison closure is no longer a topic of conversation. The State has provided guidance of not ticketing certain offenses. There are more people being let out of correctional facilities than those being sentenced.

Councilmember Larsen asked if there are any plans to extend the CART service to other areas of Florence.

Mr. Billingsley stated that Florence has asked CART for the last two years to extend their service area. He stated that CART lost its funding last year and had to maintain on their savings. He stated if they are interested in extending the service area, a study needs to be completed in order for federal funding to be used. The study would take 12 months to complete. It is his understanding that CART was not interested in expanding this fiscal year.

Mr. Bitter stated that CART is doing a governance project where they look at all the different communities and how they participate in the leadership of CART. The study is being done through ADOT. This should be completed this fiscal year. They can then apply for funding. They do it in two-year cycles and just had their application process in February. The next application cycle will be in February 2022. The Town has continued to express its desire to have study completed and look at the possibility for extended service. There has been discussion for a variety of options. The Town has participated in the governance study and sit on the CART Board. Pinal County sees value in extending service into Anthem and San Tan Valley.

Councilmember Larsen asked Mr. Billingsley to elaborate on the decreased discussion of the Florence Prison closure.

Mr. Billingsley stated that all conversation seemed to end at the state level once Covid-19 hit. There was no money allocated in the State's budget for the closure because the Congressional Business Office testified that it would cost more to close the facility.

Mr. Bitter stated that there are 3,000 incarcerated vacancies across the State in the various levels within the prison. It would be a very complex system for the Department of Corrections Rehabilitation and Re-entry to reassign those individuals. He stated that the population is normally between 44,000 and as of today, the population has dropped below 40,000 in the State of Arizona.

Mr. Bitter stated that they monitor the inmate population on a daily basis.

DEPARTMENT REPORTS

Community Development

Community Services

Courts

Finance

Fire

Police

Public Works

Vice-Mayor Anderson stated that a lot of the political speeches reference that the Town is doing a bad job. The Town is trying to clean up the Town and are trying to get the residents to do their

part in keeping the community clean. He stated that the Community Development Report listed that they issued 72 compliance notices last month. He commended the Community Development Department for all of the work they are doing. He inquired what the eight compliance notices were for that referred to the Town Attorney.

Ms. Barbara Rice, Community Services Director/Fire Marshal stated that the next phase is to serve the notice with the intent to abate. The properties include those with weeds, overgrown brush, and abandoned vehicles.

Councilmember Larsen inquired what happens when it is referred to the Town Attorney's Office.

Ms. Rice explained that if the property owner fails to clean up their property and is referred to the Town Attorney's Office, the property owner will go before the judge where they may be charged fines/fees to clean up the property would be assessed.

Mr. Mattice stated the process for abatement is in the State Statues and Town Code. He is also the Town prosecutor and the abatement proceedings would start in his office. If the property is not being maintained or they fail to comply with the notices. The abatement notice will need to be sent and a referral will be done after a certain time. A complaint will be drawn and filed with the municipal court and then there is a procedure where the Town can estimate the cost to clean up the property. A judge will then issue an order for the property to be cleaned. The property owner has due process rights to either agree with letting the Town on the property to clean up or may not agree with the amount they are assessing. The judge will need to approve the amount of the cleanup. There would then be a lien on the property.

Mr. Mattice stated that it is a lengthy process.

Councilmember Larsen stated that there are three plats in Anthem at Merrill Ranch that were approved that shows there is continued development, as well as a design review for Desert Rock Church.

Councilmember Larsen inquired if the Town will refund the pool passes that were purchased and cannot be used because the pool was shut down.

Mr. Allen stated that he will provide follow up once he speaks with staff.

The Department Reports were received and filed.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Wall thanked Mr. Allen for the cemetery cleanup. She was shocked at how much material and debris was gathered. She would like to see this be an ongoing event. She was impressed with the virtual Fourth of July events that were held. The Community Services Department did a great job.

Councilmember Hughes requested that all future meetings be held in the Council Chambers, while still practicing social distancing.

Councilmember Cordes reminded everyone to check on their neighbors. She stated that she has reflected on why she ran for Town Council and why she remains on the Council. She stated that Florence is the place where you should work, live and play in. At times it is very difficult when she feels like she is not making any headway. People know that she is honest and straight forward. She outlined how she persevered from her feelings of doubt. She asked that when people see her aggressively attacking an issue, she is doing so because of her passion.

Vice-Mayor Anderson received a complaint about the stripes painted in the downtown. The citizen suggested that the Town use a better paint, so they don't have to paint so often.

Mr. Billingsley stated that the Town uses striping paint. He will bring up the concern to the Public Works Department.

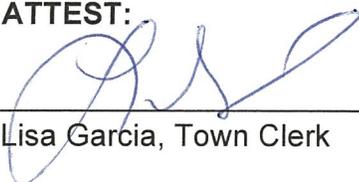
Mayor Walter acknowledged the Community Services Department for the various services they are providing to our residents. She liked the virtual events that they are planning. She reminded the public to register to vote. She reminded everyone to stay safe and follow the guidelines.

ADJOURNMENT

On motion of Councilmember Hughes, seconded by Councilmember Larsen, and carried (6-0) to adjourn the meeting at 7:57 p.m.

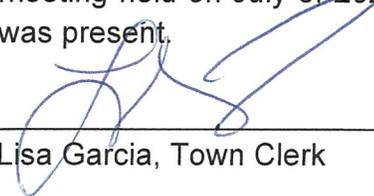


Tara Walter, Mayor

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 July 6, 2020, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk