

MINUTES

TOWN OF MIAMI

SPECIAL MEETING OF THE MAYOR AND COUNCIL MONDAY, MAY 19, 2015 AT 5:00 PM

1. CALL TO ORDER:

Mayor Dalley calls the meeting to order at 5:06 pm.

2. PLEDGE OF ALLEGIANCE/INVOCATION:

Mayor Dalley led the pledge of allegiance, followed by Councilmember Medina leading the invocation.

3. ROLL CALL OF COUNCIL MEMBERS:

PRESENT: Mayor Dalley, Vice Mayor Reiman, Councilmember Black, Councilmember Gonzales, Councilmember Hanson and Councilmember Medina.

ABSENT: Councilmember Castaneda.

STAFF PRESENT: Town Manager Heatherly, Town Attorney Smiley and Town Clerk Norris.

4. BUSINESS:

- A. Information and discussion only:** Discussion with USDA regarding Promissory Note dated April 11, 2013 and concerns regarding delinquent account and effect it will have on Phase 2 of the sewer project.

Mayor Dalley requests that anyone who wishes to speak to raise their hand and wait to be recognized by the Chair before making comments. Mayor Dalley reads a letter dated March 17, 2015 from USDA regarding payment delinquency of the interest only payment on Loan No. 92-01. Mayor Dalley states that he received a copy of this letter last Thursday and he called USDA. USDA requested a meeting of the Town Council as soon as possible. Mayor Dalley introduces Ms. Nancy Veres, USDA Community Program Director and Mr. Jeff Hooper USDA CP Specialist. Ms. Veres states that they requested this meeting to make sure all the stipulations from the first loan are met, as well as for this current loan. Ms. Veres states that there are several issues that need to be addressed prior to closing of the loan, which is supposed to take place on Friday but will not happen. Ms. Veres states they did receive a payment in the mail last week and it is being credited. Discussion regarding the PAD (Authorization Agreement for preauthorized payments) for automatic debits. Discussion regarding correspondence from USDA, all correspondence will be addressed to the Town Manager but copies will also be mailed to the Mayor, Councilmembers and Finance Officer. Discussion regarding the loan not closing this week; USDA will not sign the promissory note for phase II. This is just a delay until the Town completes all the requirements of the loan. Finance Officer Rachelle Sanchez states that the PAD agreement has been completed and she will give it to Ms. Veres to take with her. Mr. Hooper gives Council a copy of the 2012 letter which specifies the conditions of the first

loan which apply to this loan as well. Mr. Hooper comments on the purpose of their visit today and stresses that this is the largest grant project done through their agency and the State. Mr. Hooper comments on the Town's financial situation and the decision was made by the agency to go through the Letter of Conditions to make sure all items are addressed. Mr. Hooper reviews the conditions. The audits need to be completed in order to continue along with the reserve account and amount requirements as stipulated in the Letter of Conditions. Need to get a current certification of the number of users; an updated copy of the collection policies and ordinances, updated operating budget and a copy of the new rates. Discussion regarding of the audit years needed. USDA will need to see the justification and where the Town is at with the reserve funds. Brief discussion regarding insurance and bonding requirements. Brief discussion regarding easements/ROW's. Discussion regarding assessments and emergency response plans; those need to be updated. Civil Rights information, Equal Rights information need to be submitted for compliance review. Discussion regarding various forms; if the Town needs the forms they can get them from Mr. Hooper. Discussion regarding the Town's insurance and bonding information which has been submitted previously but is now out dated. Brief discussion regarding a projected closing date; date will be determined as the Town completes the stipulations. Discussion regarding the Vulnerability Assessments and Emergency Response Plans and that they need to be updated every three years. Ms. Veres states that there are agencies that will assist the Town with this at no cost to the Town. Ms. Veres comments that her concerns are with the payment delinquencies and that is when the red flags came up. Brief discussion regarding the amount of money that needs to be in the reserve account. Ms. Veres states that as of today there should be approximately \$34,000.00 in the reserve account. Discussion regarding Councilmembers attending USDA meetings; they may attend the meetings as they are open to the public. Ms. Veres comments that this is the largest grant from the Rural Utility Service that has been made nationwide, setting a precedence in Arizona, this just does not happen every day. Councilmember Hanson states the Town is extremely grateful and knows how important this project is and does not take this lightly. No action taken on this item.

B. Information, discussion and possible action: To recess the regular meeting and hold an executive session pursuant to A.R.S. § § 38-431.03 (A)(3) for discussion or consultation for legal advice with the Town Attorney regarding current issues with USDA Payment agreement and continuation of Phase 2 of the sewer project.

Council does not go into executive session.

5. ADJOURNMENT:

Councilmember Black motioned to adjourn the meeting. Motion seconded by Councilmember Medina. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Castaneda). MOTION PASSED.

Meeting adjourned at 5:47 p.m.

CERTIFICATION:

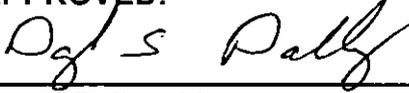
I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special meeting of the Town Council of the Town of Miami, AZ held on the 19th day of May, 2015. I further certify that the meeting was duly called and that a quorum was present.

DATED this 27th day of May 2015.



Karen Norris, Town Clerk

APPROVED:



Darryl Dalley, Mayor