

MINUTES

TOWN OF MIAMI PUBLIC HEARING AND SPECIAL MEETING OF THE MAYOR AND COUNCIL MONDAY, JANUARY 25, 2016 AT 6:30 P.M.

1. CALL TO ORDER:

Mayor Dalley called the meeting to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE/INVOCATION:

Mayor Dalley led the pledge and Councilmember Medina led the invocation.

3. ROLL CALL OF COUNCILMEMBERS:

Present: Mayor Dalley, Vice Mayor Reiman, Councilmember Black, Councilmember Castaneda, Councilmember Hanson and Councilmember Medina.

Excused: Councilmember Gonzales.

Staff Present: Town Manager Heatherly, Town Attorney Smiley, Town Clerk Norris, Engineering Department Drew Houk and Dale Metz, Code Enforcement Gary Leveque, Librarian Delvan Hayward and Police Chief Gillen.

4. **CONSENT AGENDA:** *All items listed below are considered consent calendar items and may be approved by a single motion unless removed at the request of a Councilmember for further discussion/action. Other items on the agenda may be added to the consent calendar and approved under a single motion.*

- A. Consideration and possible action to approve Minutes of the December 28, 2015 Special Meeting.
- B. Consideration and possible action to approve the Town Payroll for December 20, 2015, January 3, 2016 and January 17, 2016.

Councilmember Castaneda motioned to approve the Consent Agenda. Motion seconded by Councilmember Medina. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member excused (Councilmember Gonzales). MOTION PASSED.

5. APPROVAL OF DEMANDS:

- A. Consideration and possible action to approve the General Demands for December 23, 2015 to January 15, 2016.

Brief discussion and explanation of various demands paid. Vice Mayor Reiman motioned to approve the general demands for December 23, 2015 to January 15, 2016. Motion seconded by Councilmember Castaneda. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member excused (Councilmember Gonzales). MOTION PASSED.

6. REPORTS / RECOGNITIONS:

A. Department Reports:

Police Department, Police Chief Gillen reports on department statistics and activities. Reports that City of Apache Junction has donated 2 vehicles to the Town of Miami; a patrol car and a fully equipped animal control vehicle. POST brought up a driving simulator and all officers received 3 hours of driving training.

Library, Librarian Hayward reports on library statistics and activities. Reports on the Friends of the Library Open House and book sale. Reports that the Friends of the Library "White Elephant" sale will take place in March. Gives a brief update on the heating situation at the library.

Mr. Dale Metz of the Engineering Department briefly reports on obtaining the necessary easements for the sewer project.

Mr. Drew Houk of the Engineering Department reports briefly on the Merritt Ramp project and making much needed street repairs, filling potholes.

B. Town Manager Reports:

Town Manager Heatherly reports on APS working at the Public Works yard doing soil remediation, there have been some issues with the water line that runs through there but that is being addressed. Public Works will be receiving some cold patch to start filling potholes around town. Gives a brief update on the Mackey's Camp Crossing project. Reports that the Transit Department has completed its final write off and is now in compliance with the audit findings; will be going to the Globe Council meeting tomorrow to request the funds for the transit department. The 2014/2015 audit has begun and the auditors will be here this week. Reports on the Taliesen presentation at Bullion Plaza. Reports that pages have been added to the Town's website and if anyone would like to advertise a local event contact Town Clerk Norris. Reports that the employee training sessions started last week, training is designed for different levels of management and staff. Fitzpatrick building was sold and the sale closed today.

C. Mayor/Council Reports:

Councilmember Medina reports briefly on Boomtown Spree and that he will be having meetings at the Town Council Chambers at 5:00 p.m. before each Council Meeting, the public is encouraged to come and participate. Comments that he would like to see business sponsorship of the event.

Mayor Dalley recognizes the Public Works Department for all their work during the recent storms.

7. CALL TO THE PUBLIC:

Mr. Joe Sanchez, Miami resident, announces that last Friday was the Chamber of Commerce Annual Citizen of the Year banquet. Mr. Tom Foster, Executive Director of the Bullion Plaza Museum was the recipient of the Kip Culver Award.

8. **UNFINISHED BUSINESS:** None.

9. **NEW BUSINESS:**

A. Information and discussion only: Public Hearing regarding the use of CDBG (Community Development Block Grant) Funds.

a) Open Public Hearing – Mayor Dalley.

Open Public Hearing at 6:55 p.m.

b) Public comments and open discussion regarding the use of FY 2016 CDBG Funds from the Arizona Department of Housing Regional Account (RA).

Mr. Alan Urban of CAG presents this item to Council giving a brief explanation of the public process. Mr. Urban briefly reviews the categories which the funds can be used for. Tonight Council will need to establish a list of proposed projects they would like to consider at the next Council meeting. Mr. Urban explains the grievance process. The Town should be expecting around \$397,000; but that is not a guaranteed amount. Councilmember Hanson comments that about 2 years ago there was a grant application to restore all the historic stairs in the town. That grant was not approved but all the ground work and necessary information is set for that project, would this be a qualifying project? Brief discussion regarding this project and does it fit the criteria for the CDBG grant. Councilmember Black recommends the resurfacing of Michaels Way, Canyon Avenue and Apache after the sewer lines go through that area. Discussion regarding this project area and that it does fit the criteria because it will be after the sewer lines go in. Brief discussion as to when the Town will get this money; possibly late this year or early next year. Councilmember Black states that Councilmember Gonzales would like to propose solar street lighting along Sullivan Street, Miami Veteran's Park and possibly the bridges. Open discussion and comments regarding demolition project and redevelopment regions. Discussion regarding Bullion Plaza Museum and the renovation they are doing on the second floor, need an elevator to allow access for handicapped individuals to the second floor. Councilmember Medina comments regarding solar lighted flashing speed limit signs, would this fit the grant criteria? Mr. Urban states that he is not sure, they would need stats showing what would be prevented. Town Manager Heatherly comments regarding library improvements; electrical system and cooling. Discussion regarding the possibility of Taliesin considering some work to the library as well, could tie in with what they would like to do. Mr. Gary Leveque of the Code Enforcement Department presented a community redevelopment project and identifies hazardous areas and abandoned homes that need cleaned up. Mr. Urban states that a project such as this would fall into the criteria of the grant. Mr. Urban states that the Town will need to compile a list of about 5 proposed projects and publish a public hearing notice and have a public hearing regarding the proposed projects at the next Council meeting.

c) Close Public Hearing – Mayor Dalley

Mayor Dalley closes the public hearing at 7:40 p.m.

B. Information, discussion and possible action:

1. To approve Resolution No. 1167 in support of the Central Arizona Transportation corridor's consortium of partners' efforts to apply for and obtain designation as a Promise Zone under the federal government's Promise Zone Initiative; and
2. To approve an Intergovernmental Agreement or Memorandum of Understanding with the Gila County Industrial Development Authority regarding the Town's participation in a cooperative effort with other Gila County public bodies to obtain designation as a regional Promise Zone by the federal government.

Ms. Sandy Palmer, IDA Board Manager gives a brief PowerPoint presentation regarding the proposed Promise Zone Initiative. Ms. Palmer comments on some of the programs that the Promise Zone will target and that it will bring private, local government and Federal government together as partners in this project. Brief discussion as to why Payson is not included in this grant; Payson is not considered a low income community. Councilmember Castaneda asks for more details of the project, the information provided is quite broad. It is discussed that this is to design to include low income communities to create a region for this grant and bring all the regional communities into the project because Globe and Miami are just too small for the project, looking for a larger region so that is why they included San Carlos and Tonto Basin. Discussion regarding this is designed to include low income communities to create a region for this grant, will include everyone in the grant. Discussion regarding what is in this for the Federal government and who determines which communities get the help. Discussion regarding whether or not this is a matching fund grant; the Town of Miami does not have funds to participate in matching fund grants. It is explained that each of the various grants have matching parts, this is a 10 year designation and each federal department has assigned bonus points for the Promise Zone region so you may get points for various reasons from different departments, the bonus points will hopefully get you the funds. Discussion regarding private partners helping with matching funds and leveraging. Councilmember Black asks what is in this for the IDA? Explanation of what IDA (Industrial Development Authority) is, a political subdivision of the state assigned to Gila County. Revenue is generated through bond proceeds, a bonding authority. Discussion regarding this being about regional transformation and those in need. Brief discussion regarding rumors of the Federal government taking peoples guns or mandating refugee housing. Discussion regarding if the IDA gets a fee from the Federal government in management of the Promised Zone. Discussion regarding what type bonds and how the bond process works. Brief discussion regarding if the Town did not participate in this, would it be penalized. It is explained that the Town would just be excluded from the map designating the Promised Zone. Councilmember Black asks if there is any more documentation that Council can review, something with more information about the Promised Zone, would like to make an informed decision. At this point the Town would not be committing to anything, this is to just submit an application in support of the Promise Zone. Open discussion and comments regarding public suspicion of the project and the need to educate the community of the project. Ms. Palmer comments regarding San Carlos's excitement and participation in the project. Councilmember Medina comments that Council should have had information on this months ago, give them time to research and make an informed decision. Council Member Medina comments about requirements that are mentioned in the application that has drawn community suspicion. Councilmember Castaneda comments that she would like to know a little bit more as to how these communities fit together, she sees Miami as poverty, feels Council has a choice to make to either become part of the Promise Zone or get left out. Councilmember Black motions that he would like to

table this, would like to see what's all involved in it before committing the Town to something they have no clue of what's "under the rug". Motion seconded by Councilmember Medina. Vice Mayor Reiman calls for the question. Mayor Dalley calls for the vote. Vote – 3 members in favor, 3 members opposed (Vice Mayor Reiman, Councilmember Castaneda and Councilmember Hanson) and 1 member excused (Councilmember Gonzales). MOTION FAILED. Vice Mayor Reiman states that at this point he sees nothing that commits the town to anything and does not see a downside to this. Vice Mayor Reiman motioned to approve Resolution No. 1167 in support of the Central Arizona Transportation corridor's consortium of partners' efforts to apply for and obtain designation as a Promise Zone under the federal government's Promise Zone Initiative and approve Intergovernmental Agreement or Memorandum of Understanding with the Gila County Industrial Development Authority regarding the Town's participation in a cooperative effort with other Gila County public bodies to obtain designation as a regional Promise Zone by the federal government. Motion seconded by Councilmember Hanson. Mayor Dalley calls for the vote. Vote – 3 in favor, 3 members opposed (Mayor Dalley, Councilmember Black and Councilmember Medina) and 1 member excused (Councilmember Gonzales). MOTION FAILED.

C. Information and discussion only: Update, information and discussion regarding Town of Miami Phase 2 Sewer Project.

Town Manager Heatherly presents this item to Council. The project is now at New Street which is the entrance to the mine site. That has taken a lot of coordination as it is the head of the operation. It has taken a lot of effort between Kinkaid, AMEC and the mine to get this coordinated. Mackey's Camp, at least for the manholes, is completed. Town Manager Heatherly explains that before the rains hit, the plant was running at 150,000 to 220,000 gallons but when the rains came the plant was hit with 375,000, so we are seeing infiltration someplace. The infiltration is not from the manholes, those have been checked and are properly sealed. Still working on some project issues. Explains the issue with South West Gas and working out the issue of where to put the sewer line. Currently looking at alternatives as to what to do in that area. New Street will take about a week and a half and then they will start up Gordon and keep going and jack and bore through Hwy 60 where BHP office is located then over to Desert Fox's office and continuing up the other side there. Open discussion and comments regarding the issue of the gas line at Canyon Avenue. Discussion regarding looking at the Town's franchise agreement with South West Gas. Discussion regarding South West Gas having the sewer project plans prior to them putting that line in on Canyon Avenue and should have worked with the plan as engineered.

D. Information, discussion and possible action: To approve Change Order #AFW01: \$50,000.00 increase in Kinkaid Civil Construction's contract price, increasing the allowance for conflicts with un-marked and unknown utilities and below grade structures, as recommended by the Wastewater Advisory Board.

Town Manager Heatherly presents this Change Order to Council. Town Manager Heatherly states we are requesting to move \$50,000 from the contingency fund over to the allowance fund and increase the contract to Kinkaid. Brief discussion regarding how much money the Town has in the contingency fund; over \$600,000. Vice Mayor Reiman motioned to approve Change Order #AFW01: \$50,000.00 increase in Kinkaid Civil Construction's contract price, increasing the allowance for conflicts with un-marked and unknown utilities and below grade structures, as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Medina. Mayor Dalley states that

he don't like the idea of the people having to pay a 20 percent, if we can't get this money back the citizens of this town have to pay 20 percent for these utilities that have been moved. Mayor Dalley calls for the vote. Vote – 4 in favor, 2 members opposed (Mayor Dalley and Councilmember Black) and 1 member excused (Councilmember Gonzales). MOTION PASSED.

E. Information, discussion and possible action: To approve Change Order #3a-4: \$7,550.79 increase in Kinkaid Civil Construction's contract price to cover additional costs incurred due to the conflict between the existing sewer main and proposed connection to existing manhole A1-10, as recommended by the Wastewater Advisory Board.

Town Manager Heatherly presents this item to Council and explains why there is a change order request. A conflict occurred between an existing sewer main and the proposed connection at manhole A1-10. Councilmember Medina motioned to approve Change Order #3a-4: \$7,550.79 increase in Kinkaid Civil Construction's contract price to cover additional costs incurred due to the conflict between the existing sewer main and proposed connection to existing manhole A1-10, as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Hanson. Mayor Dalley calls for the vote. Vote – 5 members in favor, 1 member opposed (Councilmember Black) and 1 member excused (Councilmember Gonzales). MOTION PASSED.

F. Information, discussion and possible action: To approve payment application for Kinkaid Civil Construction, subject to funding agency concurrence, in the amount of \$216,067.14 for Phase 2 Construction Services (\$0.00 due from WIFA; \$216,067.14 due from USDA), as recommended by the Wastewater Advisory Board.

Town Manager Heatherly presents this item to Council, it has been recommended for approval by the Wastewater Advisory Board. Councilmember Castaneda motioned to approve payment application for Kinkaid Civil Construction, subject to funding agency concurrence, in the amount of \$216,067.14 for Phase 2 Construction Services (\$0.00 due from WIFA; \$216,067.14 due from USDA), as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Medina. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member excused (Councilmember Gonzales). MOTION PASSED.

G. Information, discussion and possible action: To approve payment application for Curtis, Goodwin, Sullivan, Udall and Schwab, subject to funding agency concurrence, in the amount of \$448.30 for Legal Services (\$315.80 due from WIFA; \$132.50 due from USDA), as recommended by the Wastewater Advisory Board.

Town Manager Heatherly presents this item to Council, it has been recommended for approval by the Wastewater Advisory Board. Councilmember Medina motioned to approve payment application for Curtis, Goodwin, Sullivan, Udall and Schwab, subject to funding agency concurrence, in the amount of \$448.30 for Legal Services (\$315.80 due from WIFA; \$132.50 due from USDA), as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Castaneda. Mayor Dalley calls for the vote. Vote – 5 members in favor, 1 member opposed (Councilmember Black) and 1 member excused (Councilmember Gonzales). MOTION PASSED.

H. Information, discussion and possible action: To review, discuss and possibly approve sewer project Change Orders number 09, 10, 11, and 12 or related alternative change

orders to Kincaid Civil's Construction Contract for Phase 2 of the sewer project in an amount not to exceed \$106,000, and to discuss options for the Town Manager to approve future project change orders to Kinkaid's contract that arise in the field and are of an urgent nature that allow for reallocation of project approved budgetary funds to be transferred within existing or new project activities.

Town Manager Heatherly explains that last week after the Wastewater Advisory Board meeting an issue came up, and if a decision was not made on Change Orders 9, 10, 11 and 12 it could have brought the project to a stop. These change orders were all related to the services associated with the FMI property. Services that were unknown at the time so Kinkaid prepared 4 change orders. Originally what was going to happen was the existing line that runs from the rod plant, the guard shack, the trailers and general services tie into a line that parallels the creek and then ties in further down. This was originally designed to take those 4 areas and put them into the new main line. The cost to do these 4 is \$106,000. Town Manager Heatherly comments that he talked to the Wastewater Board and several others to see if they would mind if he reversed the process and brought this to Council tonight and then to them at their next Wastewater Board meeting, so that there would not be a delay. It was later ultimately decided that the lines did not need to be rerouted. They would leave the existing line in place which would save all the changes. Town Manager Heatherly comments that FreePort had some concerns that the Town was going to abandon that sewer main that runs on their property. FreePort advised the Town that they would not give the Town a revised easement until we did something with that sewer line. Town Manager Heatherly states that the Town is going to let them know tomorrow that we are not going to abandon that line, not going to change that, so hopefully that issue will be resolved tomorrow. There needs to be the ability to make some changes fairly quickly or the Town is going to have costly standby times. Town Manager Heatherly states Council needs to consider allowing someone to make decisions and let the project move forward, and then go back and advise the Wastewater Advisory Board and the Council of what has been done and why. Councilmember Black comments that he does not see a problem with allowing the Town Manager doing that, as long as he informs the Council or have the Mayor included on the decision making of such issues. Councilmember Black motioned to allow the Town Manager to make decisions, with the stipulation that he gets with the Mayor before the decision is made. Motion seconded by Councilmember Medina. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member excused (Councilmember Gonzales). MOTION PASSED.

I. Information and discussion only: Update, information and discussion regarding Fiscal Year 2016/2017 Budget.

Town Manager Heatherly states that he is beginning the 2016/2017 budgeting process. There is going to be a lot of things that we need to take a serious look at and it is time to make some changes. Town Manager Heatherly comments regarding the 6 main areas covered under the General Fund and assuming the budget numbers are the same, there will be about 1.9 million dollars in revenues. The General Fund expense will be about a half of a million dollar shortfall. Town Manager Heatherly comments regarding several ways to go about rectifying this problem. Some have to do with becoming more efficient. Town Manager Heatherly explains the current costly issues going on with transit. Discussion regarding the importance of collecting on the delinquent sewer accounts. Briefly comments regarding the possibility of having to raise the sewer rates if the collections are not made and/or enforced. Comments regarding charging a deposit fee for those users who become 2 or more months delinquent in paying their bill. Also comments regarding

sending out letters of past due accounts and shutting off customer's sewer who are delinquent and not paying on current sewer account payment contact. There are a significant number of customers who have accounts with Arizona Water Company but do not have an account with the Town for sewer. The Town is now looking at those customers and will be contacting them and will be back billing them as well. Town Manager Heatherly explains the cost of running the transit system. It costs the Town approximately \$498,000 per year. Of which, \$324,000 is funded by ADOT, \$31,000 from Gila County, \$25,000 is what Globe is proposing to pay. This leaves the Town of Miami paying the balance of \$97,000, where is the equity in that? There are 24 stops on the bus route, 3 are in Miami, 3 are in Gila County and 18 are in Globe. Miami pays double what the other 2 entities pay. Brief discussion regarding the change in the transit budget, it got bigger and no one wanted to increase their contributions and that is the way it was left. Wanted to let Council know what we are looking at how to solve these problems, come up with ways to get more donations, how to increase the revenue. Would like to get a smaller group of the Council together to talk about this and come up with some solution ideas. No action taken on this item.

J. Information, discussion and possible action: To direct Staff to begin the process to place an alternative expenditure limitation (home rule) on the ballot for voter approval at the 2016 primary or 2016 general election.

Town Manager Heatherly explains that the state imposed expenditure limit for the Town of Miami is 1.8 million dollars. Last year the Town spent 4.5 million dollars. It is imperative that the Town get "home rule" on the ballot, so as not to drastically reduce the amount of money we need to budget. There are two dates the Town can put this question on the ballot. The August primary election or the November general election. We are asking Council to put it on the August primary election. In the event that four candidates get enough votes to win a chair at the August primary election, the Town will not have to pay the additional fees to put the ballot question on the general election. Town Attorney Smiley explains the change in legislation that changed the Town's spring election dates to fall election dates and how it affected Home Rule for this year. Legislation provided for no penalties for the Towns that had "home rule" up for vote this year. Councilmember Medina motioned to direct staff to begin the process to place an alternative expenditure limitation (home rule) on the ballot for voter approval at the 2016 primary election. Motion seconded by Councilmember Hanson. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member excused (Councilmember Gonzales). MOTION PASSED.

10. CALL TO THE COUNCIL:

Mayor Dalley thanks Alan Urban for attending tonight and AMEC for having a representative in attendance. Hopes Phyllis has a safe drive home and thanks Town employees for attending the meeting and Jon from KQSS and Mr. Ray Webb.

Councilmember Castaneda comments regarding how critical Home Rule is and would like the Mayor to work with the Town Manager to promote this election.

Councilmember Medina agrees with Councilmember Castaneda and asks that everyone keep Gilbert and Mary in their prayers.

11. **ADJOURNMENT:** Vice Mayor Reiman motioned to adjourn the meeting. Motion seconded by Councilmember Black. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member excused (Councilmember Gonzales). MOTION PASSED.

Adjourned 9:27 p.m.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Public Hearing and Special meeting of the Town Council of the Town of Miami, AZ held on the 25th day of January 2016.

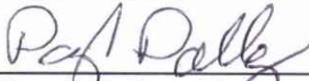
I further certify that the meeting was duly called and that a quorum was present.

DATED this 8th day of February 2016.



Karen Norris, Town Clerk

APPROVED:



Darryl Dalley, Mayor