

MINUTES

TOWN OF MIAMI SPECIAL MEETING OF THE MAYOR AND COUNCIL MONDAY, AUGUST 25, 2014 AT 6:30 P.M.

1. CALL TO ORDER:

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

2. PLEDGE OF ALLEGIANCE/INVOCATION:

Mayor Castaneda led the pledge and Councilmember Reiman led the invocation.

3. ROLL CALL OF COUNCILMEMBERS:

Present: Mayor Castaneda, Councilmember Black, Councilmember Dalley, Councilmember Gonzales and Councilmember Reiman.

Absent: Vice Mayor Hanson and Councilmember Baeza.

Staff Present: Town Manager Heatherly, Town Attorney Smiley, Engineering Paul Curzon, Police Chief Gillen, Finance Director Rachelle Sanchez, Senior Center Director Rashelle Highbaugh and Town Clerk Norris.

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 August 6, 2014 Special Council Meeting.
- B. Consideration and possible action to approve Minutes of the August 11, 2014 Regular Council Meeting.
- C. Consideration and possible action to approve the Town Payroll for August 7, 2014 to August 20, 2014.

Councilmember Dalley motioned to approve the Consent Agenda. Motion seconded by Councilmember Reiman. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED.

5. APPROVAL OF DEMANDS:

- A. Consideration and possible action to approve the General Demands for August 7, 2014 to August 20, 2014.

Councilmember Dalley questioned check number 16889 to Midstate; wants to know if that account is up to date. Finance Director Sanchez explains that it is not up to date; staff is paying the most outstanding invoices and working to catch up to the most current invoices to get the account caught

up. Councilmember Gonzales questions why the check sequence is out of order. Finance Director explain that the accounts payable checks were printed incorrectly and she had to void them and print new ones. Councilmember Gonzales states that he would like copies of all voided checks. Finance Director Sanchez explains the Caselle report layout to Council and states that if they would like any other information in the report to let her know and she can add that in. Brief discussion regarding the Chart of Accounts. Ms. Sanchez states that she will get Council a copy of the Chart of Accounts. Councilmember Dalley motioned to approve the General Demands for August 7, 2014 to August 20, 2014. Motion seconded by Councilmember Reiman. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED.

- B. Consideration and possible action to approve Revenues, Deposits and Bank Balances for General Fund and Payroll Accounts for August 1, 2014 to August 21, 2104.

Finance Director Sanchez explains that she is still working on this report; wants to be sure it is accurate when she presents it to Council. Councilmember Dalley motioned to table this item. Motion seconded by Councilmember Black. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED – ITEM TABLED.

6. REPORTS / RECOGNITIONS:

A. Department Reports:

Mr. Paul Curzon, Engineering Department reports that the Town is close to finalizing the Sign project. Updates Council on a possible IGA with ADOT for inspection of bridges. Mr. Curzon reports that he is investigating some possible grants for the Town and ways to make the process for dealing with health hazards more efficient.

Rashelle Highbaugh, Senior Center Director reports on statistics and activities. Announces that the Senior Center was given a donation in the amount of \$150.00 from Copper County News. Reports on the Senior Center rummage sale.

Police Chief Gillen reports the Police Department activity and statistics. Chief Gillen reports to Council regarding the Police Department service; they are on duty 24 hours a day. Chief Gillen reports that there was a recent problem when one of the officers was out of Town and one officer was out sick.

Town Manager Heatherly gives the Public Works Department report. Public Works have been busy with storm clean up and managing the water flow through the wastewater treatment plant. The Town's garbage truck is now back in service. Comments briefly on the bulk trash pickup procedures.

Finance Director Sanchez reports briefly on the Southwest Risk Board meeting she attended. The Town of Miami was on the agenda due to delinquencies in payments. They have agreed to work with the Town of Miami. Staff will be bringing a payment agreement before Council in the near future.

B. Town Manager Reports:

Town Manager Heatherly reports that he has been reviewing Town revenue sources and expenditures to determine the Town's cash needs. Gave a brief update on what staff has been working on. Town Manager Heatherly also states that staff will be submitting reports to him every Friday and he will be condensing them and creating a weekly report for Council.

C. Mayor/Council Reports:

Mayor Castaneda reports that she, Vice Mayor Hanson, Councilmember Dalley and Councilmember Black attended the Arizona League of Cities and Town's conference.

Councilmember Dalley commends the Public Works Department for their efforts in cleaning up after this recent storm. Councilmember Dalley reports briefly on some upcoming events and meetings that he will be attending. Councilmember Dalley requests everyone to keep their eyes open for illegal dumping; there has been a lot of dumping on Water Street.

Councilmember Black reports briefly that the Town will soon be receiving 3 vehicles that have been donated. He will report more information regarding this issue in the near future.

7. CALL TO THE PUBLIC:

Mr. Elvin Fant, Miami resident, comments regarding the break in at Fast Stop. Feels the citizens would be more relaxed if the public was more informed. Comments regarding EMP Planning Alliance. Comments regarding the importance of engaging the citizens and trying to help the Town leaders.

Mr. Richard Canizales, Miami resident, comments regarding the Town still being in financial trouble. Comments regarding Public Works doing a good job with the storm clean up; there is still a lot of cleaning that needs to be done. Mr. Canizales states that everyone that gets paid out of HURF funds need to get out and help clean up the streets.

Mayor Castaneda motioned to move Item 9 - New Business A up to the first item of business. Motion seconded by Councilmember Dalley. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED.

9. NEW BUSINESS:

A. Information, discussion and possible action: To approve Draft Annual Financial Statements and Independent Auditors' Report for FY ending June 30, 2011.

Mr. Scott Powell, Colby & Powell, PLC, presents the Draft Annual Financial Statements and Independent Auditors' Report for FY ending June 30, 2011 to Council. Mr. Powell gives a brief history of this particular audit. Mr. Powell comments regarding the audit procedures and that the statements are their best efforts; he feels that they are pretty accurate. Mr. Powell explains

why he couldn't be satisfied enough to give an opinion on some of records. Brief discussion regarding that the audit will be required to be signed by the Town's CFO and Finance Director, those people are no longer here for the time period of this audit. Mr. Powell states that this audit report will meet the requirements of the State Auditors and lenders as well. Mr. Powell explains why he could not give an opinion on some of the reporting; just does not feel that they were 100% accurate reports. Discussion regarding the Town's cash balance has increased and comments regarding the Town's major assets. Discussion regarding the Town's obligations at the time of the audit and explains the change in the Town's net assets. Open discussion and comments on the improper use of HURF Funds, it is a violation of the law and at some point will be required to be paid back. Mr. Powell reviews the Annual Expenditure Statement report and comments regarding over spending the budget. Mr. Powell reviews the comments pertaining to recording keeping. Mr. Powell comments regarding the general ledger and the importance of reconciling of accounts; need to be done on a regular basis. Mr. Powell comments on the danger of using debit cards and the issues of checks being out of sequential order. Mr. Powell comments regarding the Town's struggles with financial reporting; hopes they can overcome that issue. Mr. Powell states that he is still working on some of the WIFA accounts; looking at drawdowns. Open discussion and comments again regarding HURF Funds. Discussion regarding whether or not the Town can find out how far back when the HURF funds started to be used improperly. Mr. Powell states that he believes he can go back and identify when that started. Town Manager Heatherly comments regarding the Town moving forward and what we plan to do to clear up these issues and plans to prevent this from continuing. Open discussion and comments regarding concerns with USDA and the audits that still need to be completed; getting them done. Discussion regarding the WIFA balance in this audit. Open discussion and comments regarding the Town's response to this audit report. Councilmember Dalley motioned to approve the Draft Annual Financial Statements and Independent Auditors' Report for FY ending June 30, 2011. Motion seconded by Mayor Castaneda. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED.

8. UNFINISHED BUSINESS:

- A. Information, discussion and possible action:** To approve Ordinance No. 341 amending the Town of Miami Town Code to add new Title 11 Parks and Recreation, including Chapters 11.01 – General Provision, 11.02 – Public Park Operating Policy and 11.03 – Enforcement, all related to establishing rules and regulations for the use of Town Parks.

Town Attorney Smiley presents this item to Council and points out minor corrections that were made to the ordinance. Mayor Castaneda motioned to approve Ordinance No. 341 amending the Town of Miami Town Code to add new Title 11 Parks and Recreation, including Chapters 11.01 – General Provision, 11.02 – Public Park Operating Policy and 11.03 – Enforcement, all related to establishing rules and regulations for the use of Town Parks. Motion seconded by Councilmember Dalley. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED.

B. Information, discussion and possible action: To provide direction to the Town Attorney in the matter of the acquisition of easements for sewer purposes on properties owned by Bennu Properties, LLC. and Sho Me Copper over real property identified as Gila County Assessors Parcels 204-14-012D, 204-14-013A and 204-16-031 in Miami.

- a) The Miami Town Council may vote to recess the public meeting and hold an Executive Session pursuant to A.R.S. 38-431.03 (A)(4) for discussion or consultation with the Town Attorney and in order to consider its position and instruct the Town Attorney regarding the Town's position in contemplated litigation or in settlement discussions conducted in order to avoid litigation in the matter of the acquisition of easements for sewer purposes on properties owned by Bennu Properties, LLC. and Sho Me Copper, and pursuant to A.R.S. § 38-431.03(A)(7) for discussions or consultations with designated representatives of the Town in order to consider its position and instruct its representatives regarding negotiations for the purchase of easements over real property identified as Gila County Assessors Parcels 204-14-012D, 204-14-013A and 204-16-031 in Miami.

Councilmember Dalley motioned to recess into executive session. Motion seconded by Councilmember Reiman. Councilmember Black excuses himself from the executive session. Mayor Castaneda calls for the vote. Vote – 4 in favor, 1 recues (Councilmember Black) and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED. 8:00 p.m.

Council returns to session at 8:20 p.m. Mayor Castaneda calls the meeting back to order. All members present. Town Manager Heatherly, Town Clerk Norris and Town Attorney Smiley present also.

10. **CALL TO THE COUNCIL:** None.

11. **ADJOURNMENT:** Councilmember Dalley motioned to adjourn the meeting. Motion seconded by Councilmember Black. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members absent (Vice Mayor Hanson and Councilmember Baeza). MOTION PASSED.

Adjourned 8:21 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 25th day of August 2014.

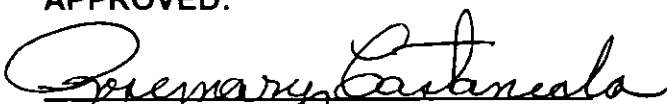
I further certify that the meeting was duly called and that a quorum was present.

DATED this 8th day of September 2014.



Karen Norris, Town Clerk

APPROVED:



Rosemary Castaneda, Mayor