

MINUTES

TOWN OF MIAMI SPECIAL MEETING OF THE MAYOR AND COUNCIL MONDAY, SEPTEMBER 22, 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 Baeza led the invocation.

3. ROLL CALL OF COUNCILMEMBERS:

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

Staff Present: Town Manager Heatherly, Town Attorney Smiley, Police Chief Gillen, Finance Director Rachelle Sanchez 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 September 8, 2014 Regular Council Meeting.

B. Consideration and possible action to approve the Town Payroll for September 4, 2014 to September 17, 2014.

Mayor Castaneda stated that she would like to make a correction to a comment she made in the last Council meeting. On page 6, 19 lines down, she commented that the Youth Basketball League had used the gym for "2 and a half months" when it actually only used the gym for 7 weeks; would like that correction noted in those minutes. Councilmember Baeza motioned to approve the Consent Agenda with noted correction to the minutes. Motion seconded by Vice Mayor Hanson. Mayor Castaneda calls for the vote. Vote – 7 in favor. MOTION PASSED.

5. APPROVAL OF DEMANDS:

A. Consideration and possible action to approve the General Demands for September 4, 2014 to September 17, 2014.

Councilmember Black questions payment to Bling Rockin' Sisters; what was this payment for. Finance Director Sanchez explains that is the company that made the transit drivers uniform shirts. Councilmember Gonzales commends Mrs. Sanchez for a very informative report; comments that he

likes the Caselle detail and layout. Councilmember Gonzales asks Mrs. Sanchez if she is still working on a year to date report of outstanding invoices. Mrs. Sanchez states that yes she is; it is quite lengthy and she will be presenting that at the next Council meeting. Councilmember Reiman questions what Development Services is? Mrs. Sanchez explains that is the Engineering Department. Brief discussion regarding the GL coding. Mrs. Sanchez explains that if Council refers to the Chart of Accounts booklet they can look up GL coding in detail. Councilmember Gonzales motioned to approve the General Demands for September 4, 2014 to September 17, 2014. Motion seconded by Vice Mayor Hanson. Mayor Castaneda calls for the vote. Vote – 7 in favor. MOTION PASSED.

6. REPORTS / RECOGNITIONS:

A. Department Reports:

Police Chief Gillen reports the Police Department activity and statistics.

Town Manager Heatherly briefly reports on the Public Works Department activities, Engineering Department activities and the Senior Center flu shot clinic.

B. Town Manager Reports:

Town Manager Heatherly reports that he has been working with CAG to see if it is possible to make changes to the Street Improvement Project Grant; this item will be discussed tonight. Have been working on preparing 12D Grant, will be bringing an agenda item at the next meeting for prioritization of grant requests. Reports on recent contact with USDA. Wastewater Advisory Board met on Thursday the 18th. Met with representatives from CAG to develop some maps for the Town. Reports that the recount of Proposition 402 is complete and it failed.

C. Mayor/Council Reports: None.

7. CALL TO THE PUBLIC:

Mr. Jose Medina – Miami resident, states that he has three recommendations concerning street projects: 1) recommends using ground up asphalt to repair the streets 2) make repairs to the old water heater guardrails, need real guardrails and 3) just past the stop sign on Laural and Live Oak there is a deep hole that needs filled in.

Mr. Richard Canizales, Miami resident, states that he likes the new Caselle reports. Mr. Canizales comments regarding the Fire Department, suggesting that the Town look at why it failed in the first place before moving forward with reestablishing it. Mr. Canizales comments regarding looking at equipment and what equipment will be needed; need to look for funding sources.

8. UNFINISHED BUSINESS: None.

Councilmember Baeza motioned to move items E, F, G, H and I to the beginning of New Business. Motion seconded by Vice Mayor Hanson. Mayor Castaneda calls for the vote. Vote – 7 in favor. MOTION PASSED.

9. NEW BUSINESS:

- E. 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 \$5,233.30 for Legal Services, as recommended by the Wastewater Advisory Board.

Mr. Mark Ipson of Hilgart Wilson presents this payment application to Council. Councilmember Gonzales questions the balance forward on the invoice. Mr. Ipson explains that it takes a bit of time to process the payment through USDA so the invoices with show a balance forward until that payment is received. Open discussion regarding the total number of easements required for the project. Councilmember Black requests to see a copy of the map showing where the sewer lines are to be located. Mr. Ipson states they do have a map showing the easements which will indicated where the lines will go. Mayor Castaneda motioned to approve payment application for Curtis, Goodwin, Sullivan, Udall and Schwab, subject to funding agency concurrence, in the amount of \$5,233.30 for Legal Services, as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Baeza. Mayor Castaneda calls for the vote. Vote 6 in favor and 1 member opposed (Councilmember Black). MOTION PASSED.

- F. Information, discussion and possible action:** To approve AMEC Contract Amendment No. 23, subject to USDA concurrence, in the amount of \$40,580.00 - for funds for completion of all remaining easement and temporary easement descriptions and exhibits for Phases 3 through 5 of the project, as recommended by the Wastewater Advisory Board.

Mr. Mark Ipson presents this contract amendment to Council. Mr. Ipson explains the amendment to Council. Discussion regarding the possibility of additional costs for easements. Mr. Ipson states that they do not foresee any additional costs for easements. Open discussion regarding the costs of easements and the increase in the costs for the easements. Discussion regarding USDA not providing any more money until the easement issues are resolved. Discussion regarding the delays causing increase amounts of money to be paid. Vice Mayor Hanson motioned to approve AMEC Contract Amendment No. 23, subject to USDA concurrence, in the amount of \$40,580.00 - for funds for completion of all remaining easement and temporary easement descriptions and exhibits for Phases 3 through 5 of the project, as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Reiman. Mayor Castaneda calls for the vote. Vote – 5 in favor and 2 members opposed (Councilmember Black and Councilmember Dalley). MOTION PASSED.

- G. Information, discussion and possible action:** To approve AMEC Contract Amendment No. 24, subject to USDA concurrence, in the amount of \$144,542.00 – amendment to include funds for the extension of Construction Management services, including Resident Project Representative (RPS) and Resident Engineer (RE) services, for the completion of the Phase 2 construction, as recommended by the Wastewater Advisory Board.

Mr. Mark Ipson presents this contract amendment to Council. Mr. Ipson explains the amendment to Council. Open discussion regarding the possibility of not being able to complete Phase 2 of the project. Discussion regarding what needs to be completed before starting of Phase 2; easements need to be complete and audits need to be completed. It is stated that the Town is working to complete both of these issues. Discussion regarding delays. Discussion regarding whether or not the Town has started paying back the loan yet. Finance Director Sanchez states that she has not paid any monies as of yet. Mr. Ipson explains that no money will be charged if Phase 2 does not move forward. Discussion regarding everything that is being approved by Council is subject to USDA concurrence. Open discussion regarding funding of Phase 2; the Town will not see any costs until such time that Phase 2 moves forward. Vice Mayor Hanson motioned to approve AMEC Contract Amendment No. 24, subject to USDA concurrence, in the amount of \$144,542.00 – amendment to include funds for the extension of Construction Management services, including Resident Project Representative (RPS) and Resident Engineer (RE) services, for the completion of the Phase 2 construction, as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Dalley. Mayor Castaneda calls for the vote. Vote – 6 in favor and 1 member opposed (Councilmember Black). MOTION PASSED.

- H. Information, discussion and possible action:** To approve AMEC Contract Amendment No. 25, subject to USDA concurrence, in the amount of \$17,600.00 – includes funds for assisting in the overall easement acquisition process for Phases 3 through 5 of the project, as recommended by the Wastewater Advisory Board.

Mr. Mark Ipson presents this contract amendment to Council. Mr. Ipson explains the amendment to Council. Discussion regarding the net gain from what was previously approved on this issue is \$3,000.00. Discussion regarding why the previous contract was cancelled and now is being brought back before Council at a higher cost. Mr. Ipson explains that USDA did not concur with the previous contract amendment that Council approved regarding this issue due to hourly billing amounts being incorrect. Corrections were made to the billing rates, as directed by USDA, and is now being presented to Council for approval. Town Attorney Smiley comments regarding an issue with this item as being that there has to be an agency relationship with the Town such as a Town Employee or the Town Attorney that can negotiate the easements with property owners for the Town. If AMEC is going to do it they would have to hire a licensed real estate agent. Open discussion regarding the rates that are set by the contract and USDA requiring the rates to match the established rates. Vice Mayor Hanson motioned to approve AMEC Contract Amendment No. 25, subject to USDA concurrence, in the amount of \$17,600.00 – includes funds for assisting in the overall easement acquisition process for Phases 3 through 5 of the project, as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Reiman. Mayor Castaneda calls for the vote. Vote – 6 in favor and 1 member opposed (Councilmember Black). MOTION PASSED.

- I. Information, discussion and possible action:** To approve AMEC Contract Amendment No. 26, subject to USDA concurrence, in the amount of \$153,314.00 – includes funds for the extension of Program Management services for Phases 2 through 5, as recommended by the Wastewater Advisory Board.

Mr. Mark Ipson presents this contract amendment to Council. Mr. Ipson explains the amendment to Council. Mr. Ipson explains the services for Phases 3 – 5. Discussion and explanation regarding the permitting fee. Discussion how the acquisition of the easements are broken down, there are

many aspects to the acquisition of the easements, so they are billed from different areas. Open discussion regarding easement issues being the cause of delays, which the Town staff was supposed to be obtaining the easements and also the financial side of things; the audits. Councilmember Reiman motioned to approve AMEC Contract Amendment No. 26, subject to USDA concurrence, in the amount of \$153,314.00 – includes funds for the extension of Program Management services for Phases 2 through 5, as recommended by the Wastewater Advisory Board. Motion seconded by Mayor Castaneda. Mayor Castaneda calls for the vote. Vote – 6 in favor and 1 member opposed (Councilmember Black). MOTION PASSED.

- A. Information, discussion and possible action:** To direct Town Manager to open discussions with Tri-City Fire District for fire support services to the Town of Miami and to negotiate with Tri-City on a potential agreement for such support.

Town Manager Heatherly presents this item to Council. Town Manager Heatherly states he is aware of the history between Town of Miami and Tri-City Fire Department. Town Manager Heatherly states that there is a renewed urgency for fire protection services within the Town of Miami. He has met with Tri City Fire last week to test the waters and to see if there was any potential there to come up with an agreement with them. Town Manager Heatherly states that the initial meeting went well. Vice Mayor Hanson motioned to direct Town Manager to open discussions with Tri-City Fire District for fire support services to the Town of Miami and to negotiate with Tri-City on a potential agreement for such support. Motion seconded by Councilmember Baeza. Mayor Castaneda comments on the importance of this and to explore the options available, it is the best way to start getting fire protection services back in the town. Mayor Castaneda calls for the vote. Vote – 7 in favor. MOTION PASSED.

- B. Information, discussion and possible action:** To approve IGA #090914 between Gila County and Town of Miami to allow Gila County to supply up to \$10,000.00 in labor or funding to review the Town's current IT system, communications and computer support hardware/software and to make recommendations to improve Miami's efficiency and productivity in this area.

Town Manager Heatherly presents this IGA to Council. Town Manager Heather explains the major problems that the Town has been experiencing with its server and computers. The Town does not have anyone on staff that has the expertise to do much work on the server or networking issues. Mr. Richard Canizales comments the importance of doing scheduled backups and the Town's server is not equipped to do backups. Town Manager Heatherly states that this IGA is the County donating IT services to the Town of Miami up to \$10,000.00. Councilmember Reiman motioned to approve IGA #090914 between Gila County and Town of Miami to allow Gila County to supply up to \$10,000.00 in labor or funding to review the Town's current IT system, communications and computer support hardware/software and to make recommendations to improve Miami's efficiency and productivity in this area. Motion seconded by Mayor Castaneda. Mayor Castaneda calls for the vote. Vote – 7 in favor. MOTION PASSED.

- C. Information, discussion and possible action:** Review of reconciliation of Genesis billing to the Town of Miami for the management of the Bullion Plaza Gym and the documents prepared and submitted by Councilmember Black on September 8, 2014

covering the period of 11/23/13 through 8/30/14. Review the findings of related information and past practices in the recording of financial activities and possible direction to staff to coordinate with Town Attorney to modify existing management contract with Genesis, Inc.

Town Manager Heatherly presents this item to Council. Town Manager Heatherly explains how he reviewed the contract from when it started in February up to the current time. Town Manager Heatherly states that the contract was not entirely clear and it took him awhile to figure out the billing. He had to do it piece by piece, using the records that were available. Discussion regarding the management agreement not being clearly outlined. Discussion and comments regarding the billings from Genesis not being consistent with the contract. Town Manager Heatherly comments that the receiving and recording of funds did not allow for proper audits. Town Manager Heatherly comments regarding the rental contract for venues, that you may make exception for groups that may give you repeat business; in reviewing all the paperwork he did not allow for that, he did it strictly at "face value" according to the contract. He has found that Genesis overbilled the Town \$351.84. Town Manager Heatherly did note that there is one outstanding billing from Genesis that has not yet been paid and can be adjusted. Open discussion and comments as to whether or not the Town is paying Genesis for cleaning the gym. Discussion regarding cleaning the gym and retention of the cleaning deposit. Town Attorney Smiley comments regarding the contract being ambiguous and it can be amended. It doesn't say who gets the cleaning deposit. It makes Genesis responsible to make sure that it's clean and if it's not properly cleaned then Genesis does the cleaning. As she remembers the Council's discussions, the Town did not want to be responsible for cleaning; her memory of it was that Council wanted Genesis to take care of the cleaning and the understanding was that if Genesis had to clean, then they would keep a portion of the deposit. Councilmember Black asked would that not have been placed in the contract? Town Attorney Smiley states that it should have been, she isn't perfect and the contract can be amended. Councilmember Black asks if any of his numbers that he provided at the previous Council meeting been "doped up" so to say. Town Manager Heatherly states that the majority of the numbers were 100% correct, but a 100% of the numbers were not 100% correct. Town Manager Heatherly states that because the contract is not entirely clear, assumptions had to be made as to what to charge. Town Manger Heatherly points out several areas in the contract that were left open for assumption, areas were not entirely clear. Councilmember Black states that he had no hidden agenda and was not being spiteful, he was looking out for the Town of Miami. He is a representative of the Town and that is his job. Mr. Richard Canizales gives Town Manager Heatherly and Council a copy of a sample rental contract that he feels would work for this type of rental service. Open discussion regarding the contract and rental agreement being done hastily. Open discussion and comments regarding the Town staff cleaning the gym; does the Town have the staff to do it. Mayor Castaneda states that Genesis did not study the contract as good as they should have; mistakes were made. Genesis did not take advantage of the Town and there was no malicious intent. Brief discussion regarding the specifics of the use of the kitchen at the gym. Discussion regarding user liabilities. Town Attorney Smiley suggests getting the concerns of the Town and the concerns and comments from Genesis and revise the contract. Discussion regarding working together to revise the contract. Councilmember Black states that he would like to see it in the contract that all monies for the rentals be handled through Townhall and that the reservation

calendar be kept at Townhall also. Mayor Castaneda agrees with Councilmember Black. Councilmember Gonzales would like to see a quarterly report from Genesis. Vice Mayor Hanson would like to see a discount for non-profit agencies. Councilmember Reiman motioned to direct the Town Manger to get with Genesis and the Town Attorney and come up with a proposed contract and make a proposal to resolve the past issues. Motion seconded by Councilmember Baeza. Councilmember Black states that he feels the Town Manager should get together with the Town Attorney and Genesis not be involved in it, considering they are the entity that is going to be running the management of the gym. The Town Attorney and the Town have to decide, not Genesis, because we are looking out for our interests and they are looking out for theirs. Councilmember Reiman states his motion stands as he stated it. Mayor Castaneda and Vice Mayor Hanson recuse from voting on this item. Councilmember Baeza calls for the vote. Vote – 3 in favor, 2 members opposed (Councilmember Black and Councilmember Gonzales) and 2 abstain from voting (Mayor Castaneda and Vice Mayor Hanson). MOTION PASSED.

- D. **Information, discussion and possible action:** To revise the streets listed in CDBG Contract No. 133-14 to be improved or replaced as part of the Street Improvement Project and direct staff to work with Central Arizona Governments and Arizona Department of Housing (ADOH) to modify the current CDBG contract.

Town Manager Heatherly presents this item to Council. Town Manager Heatherly explains that the streets in some areas of town are in real bad shape, 70 percent of the streets are going to be tore up due to the sewer project. The Town currently has a CDBG and ADOH grant to repair some streets in the town that will not be covered by the sewer project funding. Some of the streets that are on the list to be redone will end up being tore up again during construction of the sewer lines. For that reason staff would like permission to make changes to grant and the streets listed to be repaired. Discussion regarding various streets that are in very bad shape. Discussion regarding traffic conditions on certain streets. Discussion regarding streets that do not have a sewer line running under them; that will not be affected by the sewer project. Discussion regarding questions of whether or not USDA is still going to cover the street repairs along with the sewer project. Discussion regarding the time period to get this current project started. It has to be started now as the Town is on a time limit with this grant. Councilmember Dalley suggests that a couple Councilmembers do a drive around town with staff, look at the streets that are not going to be touched during the sewer project and make a list of ones they feel need to be repaired. Discussion regarding the amount of the grant. It is decided that Councilmember Black and Councilmember Dalley will go out with the Public Works Director and look at the streets.

10. CALL TO THE COUNCIL:

Councilmember Reiman announces that the Soda Fountain across the street from Townhall is now open on weekends.

Vice Mayor Hanson comments regarding the Wastewater Advisory Board. They have been meeting since 2009 and do not get paid for it. They help the Town and she would like everyone to know they are a wonderful group and have the Town's best interests at hand.

Mayor Castaneda announces that the Wastewater Advisory Board has a new Board Member, Mr. Rick Powers; there is a lot of talent on the Wastewater Advisory Board.

11. ADJOURNMENT: Councilmember Baeza motioned to adjourn the meeting. Motion seconded by Vice Mayor Hanson. Mayor Castaneda calls for the vote. Vote – 7 in favor. MOTION PASSED.

Adjourned 9:37 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 22nd day of September 2014.

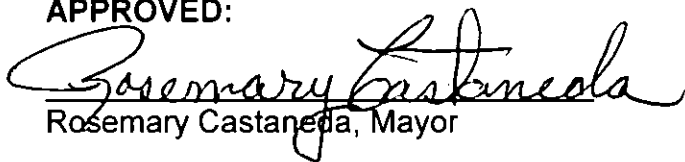
I further certify that the meeting was duly called and that a quorum was present.

DATED this 27th day of October 2014.



Karen Norris, Town Clerk

APPROVED:



Rosemary Castaneda, Mayor