

# MINUTES

## TOWN OF MIAMI SPECIAL MEETING OF THE MAYOR AND COUNCIL MONDAY, JANUARY 26, 2015 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.

**Absent:** Councilmember Gonzales.

**Staff Present:** Town Manager Heatherly, Town Attorney Smiley, Police Chief Gillen, Finance Director Rachele Sanchez, Public Works Director Sukosky, 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 January 12, 2015 Regular Meeting.
- B. Consideration and possible action to approve the Town Payroll for December 22, 2014 to January 4, 2015.

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 absent (Councilmember Gonzales). MOTION PASSED.

### 5. APPROVAL OF DEMANDS:

- A. Consideration and possible action to approve the General Demands for January 7, 2015 to January 21, 2015.

Councilmember Black questions the voided checks that are included with demands. It is explained that the checks were printed but did not get approved for payment because they did not have the proper backup documentation in order to make the payment. Brief discussion regarding various

demands. Councilmember Castaneda questions the Uniform Allowance payment to Chief Gillen; he does not wear a uniform. Councilmember Hanson motioned to approve the General Demands for January 7, 2015 to January 21, 2015. Motion seconded by Councilmember Medina. Brief discussion and explanation regarding the payment to Little Cesar's Pizza. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Gonzales). MOTION PASSED.

**B. Consideration and possible action to review and discuss the Revenues, Expenditure Reports and Bank Balances for activities through December, 2014.**

Councilmember Castaneda comments briefly regarding the report presented; it's a wonderful report and a lot of information. Brief discussion and explanation regarding the revenue from the Gym rentals; discussion regarding how it is broken down. Discussion regarding the Senior Center reimbursements. Discussion regarding Pinal/Gila being behind on the reimbursements due to the fact that they were converting to a new computer program; payments are late coming in. Discussion regarding Transit reimbursements and facility leasing issues. Town Manager Heatherly explains that the first two pages of the report are a summary and breakdown of what has happened, the 30 page report is a more detailed report generated from Casselle. Mayor Dalley motioned to approve the Revenues, Expenditure Reports and Bank Balances for activities through December, 2014. Motion seconded by Councilmember Medina. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Gonzales). MOTION PASSED.

**6. REPORTS / RECOGNITIONS:**

**A. Department Reports:**

Public Works, Wes Sukosky reports and updates Council on the issue regarding pump number 3 that was lost at the lift station. Reports regarding the problems with the septic receiving station; the card reader is back up and running. Reports that Northern Pipeline is still working in a couple areas in town.

Police Department, Chief Gillen gives the Police Department statistics and activity report. Reports that he attended the hearing regarding the pool break in and Town Manager Heatherly has the report if Council would like to review it.

Town Manager Heatherly reports that the Engineering Department is continuing to work on the Street Sign Project. Continuing to work with CAG and ADOH to move forward with the Merritt Ramp Project; hoping to go out to bid on that project next month. Have compiled a list of repairs that need to be made at the pool in order to open it this summer and working on some ways to raise some funds for the pool. Reports that the Senior Center is running smoothly, no issues to report. Reports that staff is working on collection procedures to bring before Council. Sewer rate increase will take effect March 1<sup>st</sup>. The panel completed interviews for the position of Utility Services Coordinator and hopes to have a decision in the next few days. Reports on meeting with the Town Auditor and getting the audits up to date; almost done with that. Will be hiring Mr. Dale Metz to do easements for Phases 3 - 5 of the Wastewater Project. Next Monday will be meeting with AMEC and Hilgart Wilson regarding the easements that the Town currently has completed.

B. Town Manager Reports:

C. Mayor/Council Reports:

7. **CALL TO THE PUBLIC:** No response.

8. **UNFINISHED BUSINESS:**

9. **NEW BUSINESS:**

**Mayor Dalley motioned to move item 9D to the beginning of New Business as Dr. Cullen has another meeting he needs to get to. Motion seconded by Councilmember Black. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Gonzales). MOTION PASSED.**

**D. Information, discussion and possible action:** To approve Resolution No. 1154; a resolution of support for Gila Community College to receive equitable allocation of Workforce Development Funding.

Dr. Cullen of the Gila community College presents this Resolution to Council. Dr. Cullen explains that they are requesting support from the Town of Miami for the Gila Community College to receive equitable allocation of the Workforce Development funding. Dr. Cullen explains how the funding is allocated and explains that it is not an equitable allocation of workforce development funding. Open discussion and comments regarding the funding and how the monies are allocated. Dr. Cullen explains that they are just pursuing equal funding for the Workforce Development program. Councilmember Medina motioned to approve Resolution No. 1154; a resolution of support for Gila Community College to receive equitable allocation of Workforce Development Funding. Motion seconded by Mayor Dalley. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Gonzales). MOTION PASSED.

**A. Information, discussion and possible action:** To approve payment application for AMEC, subject to funding agency concurrence, in the amount of \$27,929.39 for one month of Design, Program Management and Construction Management Services (\$14,110.43 due from WIFA; \$13,818.96 due from USDA), as recommended by the Wastewater Advisory Board.

Town Manager Heatherly presents this item to Council. Councilmember Hanson motioned to approve payment application for AMEC, subject to funding agency concurrence, in the amount of \$27,929.39 for one month of Design, Program Management and Construction Management Services (\$14,110.43 due from WIFA; \$13,818.96 due from USDA), as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Medina. Town Attorney notes that there is a typo and clarifies that the amount due to USDA is \$13,818.96. Councilmember Hanson amends her motion to note the amount to USDA is \$13,818.96. Councilmember Medina seconds the amendment. Mayor Dalley calls for the vote. Vote – 5 in favor, 1 member opposed (Councilmember Black) and 1 member absent (Councilmember Gonzales). MOTION PASSED.

- B. 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 \$10,492.54 for Legal Services (\$1,317.36 due from WIFA; \$9,175.18 due from USDA), as recommended by the Wastewater Advisory Board.

Town Manager Heatherly presents this item to Council. Councilmember Castaneda motioned to approve payment application for Curtis, Goodwin, Sullivan, Udall and Schwab, subject to funding agency concurrence, in the amount of \$10,492.54 for Legal Services (\$1,317.36 due from WIFA; \$9,175.18 due from USDA), as recommended by the Wastewater Advisory Board. Motion seconded by Vice Mayor Reiman. Mayor Dalley calls for the vote. Vote – 5 in favor, 1 member opposed (Councilmember Black) and 1 member absent (Councilmember Gonzales). MOTION PASSED.

- C. Information, discussion and possible action:** To approve payment application for Economists.com, LLC, subject to funding agency concurrences, in the amount of \$9,500.00 for Updated rate study, as recommended by the Wastewater Advisory Board.

Councilmember Castaneda motioned to approve payment application for Economists.com, LLC, subject to funding agency concurrences, in the amount of \$9,500.00 for Updated rate study, as recommended by the Wastewater Advisory Board. Motion seconded by Councilmember Medina. Town Manager Heatherly explains this payment is for the Rate Study and now WIFA has asked for documentation and the Town's financial covenants because the Town is in default. The Town is working with WIFA to get an amendment so USDA can get the next funding. Phase 2 will move forward even though the Town is in default; the Town has shown good faith. Mayor Dalley calls for the vote. Vote – 5 in favor, 1 member opposed (Councilmember Black) and 1 member absent (Councilmember Gonzales). MOTION PASSED.

- E. Information, discussion and possible action:** To provide direction to staff regarding the potential lease or sell of several town owned buildings located at 700 W. Sullivan St., 618 W. Sullivan St. and 53 Keystone Ave.

Town Manager Heatherly notes a correction to one of the addresses – it is actually 196 E. Keystone Avenue and not 53 Keystone Avenue. Town Manager Heatherly states that staff is looking for direction from Council in order to make the best economical decision for the Town to follow. Brief comments regarding a current tenant who is interested in obtaining a long term lease or possibly buying. Town Manager Heatherly gives a brief breakdown of how the proceeds from the sale of the properties would be used by the Town. Councilmember Hanson states that she would like to see that the properties are appraised; comments on the lease agreements; and if the properties were to go to bid the Council can set the parameters on the base price and on to how the building is going to be utilized. Councilmember Hanson would also like to see a history of the existing tenant, and on the other buildings also, for at least 5 years. Open discussion and comments regarding getting a value of the properties. Open discussion regarding putting the properties out for competitive bid if the Town decides to sell or even allow a long term lease of either of them. Brief discussion regarding the cost to have the properties appraised and can the Town afford to have appraisals done. Town Manager Heatherly explains that if Council moves in the direction that would require appraisals of the properties he can find the money to get it done; they are going to need that information in order to make a decision. Councilmember Medina motioned to provide direction to staff regarding the

potential lease or sell of several town owned buildings located at 700 W. Sullivan St., 618 W. Sullivan St. and 196 E. Keystone Ave. Motion seconded by Councilmember Castaneda. Town Attorney Smiley explains that the motion has to specify what direction they want staff to take. Councilmember Hanson states they would like to direct staff to obtain appraisals for all three buildings, and the ones with tenants, a history of five years back of what has happened with them, and the appraisals will show what repairs are needed. Councilmember Medina states that will be his motion. Motion seconded by Councilmember Castaneda. Mayor Dalley states that there will need to be some research on the Fitzpatrick building because of the work done there was done with grant monies. Mr. Elvin Fant, current tenant in one of the buildings, requests from Council a 1 to 2 year lease while the town works on the appraisals. Mr. Fant gives a history of living and owning his businesses in Miami. Mr. Jim Coates states his concerns of the Barcon Building; how it might affect the overall business and ambient of the neighborhood. Would like to make sure the building is closely scrutinized. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Gonzales). Councilmember Black questions if the Town could do a long term lease purchase? Town Attorney Smiley explains that municipalities are required to go out to bid when they sell real property. That makes it very difficult to do a lease/purchase agreement, there might be ways to do it but it is difficult. The first step in selling or leasing a building is finding out what it is worth. You are dealing with public property and you have a fiduciary responsibility to the public to make sure that you get good value for what you have. Vice Mayor Reiman questions if it would be possible to sign the property over to the Municipal Property Corporation? Town Attorney Smiley states that she does not know, but it is a good thing to look at and she will get an answer.

- F. Information, discussion and possible action:** To approve Resolution No. 1155, amending and revising the existing rental fees and deposits for use of the Bullion Plaza Gym and adopting a new Fee Waiver/Fee Reduction Policy related to adopting a policy and criteria for waiving or reducing fees for certain types of users and certain types of events.

Town Manager Heatherly presents this resolution to Council. Town Manager Heatherly explained how they came up with the proposed fees. They looked at how to make the fee structure more viable. Looked at how the fees are currently structured and it is very complicated. Town Manager Heatherly briefly reviews the fee schedule and procedures; everything will be in writing and will require signatures. Vice Mayor Reiman questions “big events” being \$400.00, lasting two weeks? Town Manager Heatherly explains that will be “per day”. Councilmember Black comments that he feels there needs to be an analysis on how much electricity is used when the gym is in use. You can contact APS and they can tell you what was used for any given day. Councilmember Black comments on Exhibit A; thinks it needs to specify 199 or less and 200 and above. Also on page 6 “upon written request and as determined by the Town Manager or Council”; because this is an issue with this town, he don’t feel the Town Manager should make the decision, thinks it should come before Council for deductions. Another wording he would like to see placed in there is when a 501(C)(3) requests to rent the gym at a discounted price, “someone renting the gym cannot borrow or use someone else 501(C)(3)”. Brief discussion regarding the 501(C)(3). Open discussion and comments regarding qualifying use of Sports Organizations deposit due; also no mention of them cleaning up the gym after they use the gym. Councilmember Castaneda states it should provide for, if they are not charged a cleaning deposit that they be required to clean up after use of the gym and if they do not then they would be charged a fee for cleaning. Maybe put some type of clause in the contract regarding this issue. Councilmember Hanson motioned to accept Resolution No. 1155, with

noted mentioned changes. Motion seconded by Councilmember Medina. Town Attorney Smiley states that she would be more comfortable if Council would table this and bring it back before Council in final version at the next meeting. Councilmember Hanson amended her motion to table for a draft review. Amended motion seconded by Councilmember Medina. Vice Mayor Reiman comments that he is not sure that he agrees with the "per night" rate; feels it deserves more discussion. Open discussion regarding the cost of electric when the building is being used; can get statistics from APS to help determine the cost history. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Gonzales). MOTION PASSED – ITEM TABLED.

**G. Information, discussion and possible action:** To approve an amendment to and restatement and renewal of the Bullion Plaza Gym Management Agreement with Miami Genesis.

Town Manager Heatherly presents this item to Council. Town Manager Heatherly explains that this contract format can be used for any concessionaire. Town Manager Heatherly comments that they used the existing contract and tried to work out the kinks and tweaked it in order to make it easier to use. Town Manager Heatherly questions Council if they agree that the Town should have someone manage the facility for us or should we do it ourselves? Town Manager Heatherly states that, thoughts have been that we should have someone manage it for us. A 1 year contract with up to 3 additional 1 year extensions in writing. Concessionaire will do all bookings but not receive the funds, they will be paid directly through the Town. Town Manager Heatherly comments that first time around the Finance Department was not set up properly to track the funds. They will have it set up in Casselle to track these payments and rental fees collected. Discussion and comments regarding Exhibit E – Rental Form which includes responsibilities and liabilities. Town will check the building every Monday after a weekend event and someone will sign off on the form to verify that it was properly cleaned. Open discussion and comments regarding cleaning and the cleaning deposit. Town Manager Heatherly states he thinks this needs to be tabled because he sees some changes that need to be made. Discussion regarding return of deposits. Councilmember Castaneda comments regarding item number 19 on the contract; Solicitations for Subcontractors; isn't this overkill? Town Attorney Smiley clarifies that the agenda item is as to this contract with Genesis, it is to renew and restate the contract. We are talking about this contract that was, you know Genesis bid on, it was up for renewal because it has been over a year. Does the Town want to amend and restate this agreement, which she thinks probably needs to happen. Town Attorney Smiley addresses Councilmember Castaneda's issue with item number 19 in the contract – if Genesis wanted to hire someone to come in and do cleaning, that is what would be covered under number 19. Councilmember Black comments his understanding was the contract was supposed to be redone by the attorney and approved by the Council, not a renewal contract with Genesis. Councilmember Black states that he has quite a few things in the contract that he feels needs to be discussed and changed. The contract is being changed and he feels this should go out to public bid again; there is another 501C3 that is interested in managing the gym, they should have an opportunity to bid on it. Brief discussion regarding that at this point the Town does not have a management company under contract. Councilmember Castaneda comments also on the Renters Responsibilities; feels that is a mess and needs to be reviewed. Genesis would like to know what their position is until the period that the contract is renewed or awarded. Councilmember Black states that he has some concerns with the contract itself, not with Genesis. Discussion regarding having a worksession so Council can discuss and review their concerns. Councilmember Black motioned to table it for a workshop so

Council can sit down and discuss the contract and have the attorney rewrite it to what Council wants and move forward with putting it out to bid and starting all over. Motion seconded by Councilmember Medina. Mayor Dalley encourages all Councilmembers go in and discuss their concerns with Town Manager Heatherly prior to the workshop. Discussion regarding extending Genesis' existing agreement until the contract is renewed or a new contract is awarded. Town Attorney Smiley helps Council with their motion for this issue. Town Attorney Smiley suggests moving to extend the existing agreement with Genesis to manage Bullion Plaza Gym until a new or restated agreement is developed and to table the discussion on the renewal and restatement of the agreement until after a Council workshop is held. So moved by Councilmember Medina. Motion seconded by Councilmember Black. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member absent (Councilmember Gonzales). Councilmember Black rescinds his original motion and Councilmember Medina rescinds his second to that motion. MOTION PASSED – ITEM TABLED.

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

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

Adjourned 8:31 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 **26th** day of **January** 2015.

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

DATED this **9<sup>th</sup>** day of **February** 2015.



Karen Norris, Town Clerk

**APPROVED:**

  
Darryl Dalley, Mayor