

# MINUTES

## TOWN OF MIAMI

### JOINT MEETING OF THE MAYOR AND COUNCIL AND THE TOWN OF MIAMI, ARIZONA MUNICIPAL PROPERTY CORPORATION (MPC) WEDNESDAY, APRIL 6, 2016 AT 5:00 PM

#### 1. CALL TO ORDER:

Mayor Dalley calls the meeting to order at 5:00 pm.

#### 2. ROLL CALL OF COUNCIL MEMBERS:

**PRESENT:** Mayor Dalley, Vice Mayor Reiman, Councilmember Black, Councilmember Castaneda, Councilmember Hanson (telephonically) and Councilmember Medina.

**EXCUSED:** Councilmember Gonzales.

**STAFF PRESENT:** Town Manager Heatherly, Town Attorney Smiley (telephonically) and Town Clerk Norris.

**MPC MEMBERS PRESENT:** Tom Foster, Joe Rocha, Julie Reiman, Jay Spehar and Joe Sanchez.

#### 3. Information, discussion and possible action:

##### A. By the Miami Town Council:

1. Consideration and possible adoption of Resolution No. 1171 revoking Resolution No. 1157 and approving the form and authorizing the execution and delivery of a town lease, approving the execution and delivery by the Municipal Property Corporation of such town lease and the government documents (as such term is defined therein), the negotiation of a note to the United States government, acting through Rural Utilities Service, United States Department of Agriculture; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such town lease and government documents and this resolution and declaring an emergency.

Town Manager Heatherly presents this item to Council. Town Manager Heatherly explains that at the last Wastewater Advisory Board meeting, Mr. Mike Luker of the USDA explained in short detail that USDA made a mistake in the closing of Phase 2, they didn't do something. Town Manager Heatherly explains that he spoke to several people from USDA and Mr. Michael Cafiso and the Town needs to assist them and expedite this as fast as possible to keep the project going. This mistake has caused there to be no payments on payment applications that were approved a few weeks ago. Due to this mistake, the project contractor has notified the Town that there would possibly be a work stoppage until payment is made.

Town Manager Heatherly explains that a delay in this project can be very expensive and ugly. In doing this the Town has made some commitments to Kinkaid that the Town will do everything in its power to expedite getting these documents re-signed. Town Manager Heatherly explains the documents to Council and to the MPC Board. What is being approved now is "in form" and "with certain limitations". The limitations mean that the loan will not exceed 5 million dollars as a cumulative loan. What is now happening is the closing of Phase 2 and Phases 3, 4 and 5; all at the same time, at the request of USDA. Town Manager Heatherly explains that the loan is \$4,911,230.00 and the grant is \$19,409,202.00. USDA is working on finalizing the exact numbers, but it is important to get this approved and Kinkaid paid by the 15<sup>th</sup> so there are no delays in the project. The documents provided show an interest rate of 2.125%, that is not the actual number, the actual number is going to be somewhere around 1.75%. Town Manager Heatherly explains that the mistake had nothing to do with the Town, AMEC or Hilgart Wilson, it was purely USDA. Open discussion regarding the total loan amount. Discussion regarding Phase 2 and technically that funding was never closed. It is explained that the Town has to exhaust the loan monies before the grant monies kick in. Town Manager Heatherly states that the total cost of the project will be, including Phase 1, \$24,320,432.00. Councilmember Medina motioned to approve Resolution No. 1171 revoking Resolution No. 1157 and approving the form and authorizing the execution and delivery of a town lease, approving the execution and delivery by the Municipal Property Corporation of such town lease and the government documents (as such term is defined therein), the negotiation of a note to the United States government, acting through Rural Utilities Service, United States Department of Agriculture; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such town lease and government documents and this resolution and declaring an emergency. Motion seconded by Councilmember Castaneda. Mayor Dalley calls for the vote. Vote – 6 in favor and 1 member excused (Councilmember Gonzales). MOTION PASSED.

**B. By the Town of Miami, Arizona Municipal Property Corporation.**

1. Consideration and possible adoption of a resolution authorizing and providing for the incurrence of indebtedness in the principal amount of not to exceed \$5,000,000 for the purpose of providing a portion of the cost of acquisition and constructing a wastewater collection system authorizing making of promissory note(s), security instruments and pledges of revenues to evidence and secure the payment of said indebtedness and for related purposes.

Mr. Tom Foster, President of the MPC Board presents this resolution to the MPC and Council. Mr. Jay Spehar motioned to approve MPC item number 1 as read. Motion seconded by Mr. Joe Sanchez. Mr. Tom Foster calls for the vote of the MPC Board. Vote – all in favor. MOTION PASSED.

2. Consideration and possible adoption of Resolution No. 0004 revoking Resolution No. 0003 and authorizing the negotiation of a note to the United States government, acting through Rural Utilities Service, United States Department of agriculture, for the purpose of financing a project for the Town of Miami, Arizona, and approving the form and authorizing the

execution and delivery of a town lease and agreements required in connection with the negotiation of the note and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such town lease and agreements and this resolution.

Mr. Tom Foster, President of the MPC Board presents Resolution No. 0004 to the MPC Board and Council. Mr. Jay Spehar motioned to approve Resolution No. 0004 as read. Motion seconded by Mr. Joe Rocha. Vote – all in favor. MOTION PASSED.

**4. Adjourn Joint Meeting:**

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

Meeting adjourned at 5:24 p.m.

**CERTIFICATION:**

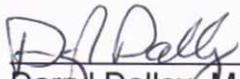
I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Joint Town of Miami, Arizona Municipal Property Corporation and Town of Miami Town Council meeting of the MPC and Town Council of the Town of Miami, AZ held on the 6<sup>th</sup> day of April, 2016.

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

DATED this 11<sup>th</sup> day of April 2016.

  
Karen Norris, Town Clerk

**APPROVED:**

  
Darryl Dalley, Mayor