



## MINUTES

### TOWN OF MIAMI

#### REGULAR MEETING OF THE MAYOR AND COUNCIL MONDAY, JUNE 24, 2019 AT 6:30 PM

#### 1. CALL TO ORDER:

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

#### 2. PLEDGE OF ALLEGIANCE/INVOCATION:

Mayor Dalley led the pledge of allegiance. Councilmember Medina led the invocation. Councilmember Medina mentions that Councilmember Black is in the hospital and please keep him in your prayers.

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

**PRESENT:** Mayor Dalley, Vice Mayor Gonzales, Councilmember Black (telephonically), Councilmember Bringhurst, Councilmember Medina and Councilmember Moat.

**EXCUSED:** Councilmember Reiman.

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

#### 4. CONSENT AGENDA:

- A. Consideration and possible action to approve Minutes of the June 10, 2019 Regular Meeting.
- B. Consideration and possible action to approve the Town Payroll for June 16, 2019.

Councilmember Medina moved to approve the consent agenda. Seconded by Councilmember Bringhurst. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black – yea, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

#### 5. APPROVAL OF DEMANDS AND PRESENTATION OF BUDGET REPORTS:

- A. Consideration and possible action to approve the General Demands for June 7, 2019 to June 20, 2019.

Councilmember Medina moved to approve the general demands for June 7, 2019 to June 20, 2019. Seconded by Councilmember Black. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black – yea, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

## **6. REPORTS / RECOGNITIONS:**

### **A. Town Manager Reports.**

Town Manager Heatherly gives a brief update on the Woodbury Fire and states that the Hostetler Pool was closed so that staff could clean up all the ash in the pool. Announces that the Town has received a Notice of Claim from an attorney representing Chaz Barcon, which has been turned over to the Town Attorney and Southwest Risk, in regards to the police shooting incident that took place a few months ago.

### **B. Mayor/Council Reports.**

Councilmember Medina announces that he is going to start working on Boomtown Spree next week, he had to put it on hold for a short period due to his busy schedule. Announces he will be busy with Moose business and will be attending a convention starting Thursday and should be back late Sunday or Monday. If anyone needs to get a hold of him they may call him anytime.

Councilmember Moat comments on the mine meeting regarding the Woodbury Fire, he was on call all weekend just in case he was needed to assist the mine with fire protection. Comments on touring Lee Kornegay school which is the current fire evacuation center.

Councilmember Bringhurst gave a brief update on the painting of the Keystone Stairs for the 4<sup>th</sup> of July celebration.

Vice Mayor Gonzales states that Miami High School is the evacuation center and staging area for the Woodbury Fire and just wants let people know that the fields are not open for walking at this time.

Councilmember Black thanks staff for helping with attending the meeting telephonically, he is currently in ICU at the VA Hospital.

Mayor Dalley states that it is good to be back. Gives a brief report on this past Music in the Park event; it was excellent. Thanks Councilmember Bringhurst for all her artwork around town. Comments that he has received some calls on how well the Library staff is doing with the summer program. Comments on the Police Department improvements and how much the Police Department has stepped up their policing of the community. Announces Globe Council meeting tomorrow night at 6:00 p.m. Announces CAG meeting on Wednesday in Apache Junction. Gives a brief update on the 4<sup>th</sup> of July Parade. Comments on working with the high

school students and getting them organized and ready for the League Conference. Gives a brief update on the pool.

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

8. **UNFINISHED BUSINESS:**

9. **NEW BUSINESS:**

**A. Information and discussion only:** Review and discussion regarding the Town Managers monthly report for May 2019. This includes departmental operating statistics and key performance indicators, capital projects, financial results and forecasts.

Town Manager Heatherly states that he does not have much new to report for May. Briefly reviews the revenue and grant reports. Brief review of the expenditures, there are no issues there. Brief review of the current projects. Reports that the DMA agreements have been completed and the maps are drawn up for Globe, Miami and Tri City Sanitary as agreed upon. They have been sent to CAG. Brief report on the Special Income Survey.

**B. Information, discussion and possible action:** To approve the Town of Miami Public Safety Personnel Retirement System Pension Funding Policy.

Town Manager Heatherly explains that approximately 2 years ago Council agreed to pay this back over 30 years. This is not because of anything the Town has done, all municipalities have to pay back fees. This policy is basically just telling us where we have to be. Town Manager Heatherly explains that this is something we have to sign off on before July 1, 2019. Discussion regarding the timeframe in which this needs to be paid off. Originally the Town elected 30 years to pay off but this document shows by 2036; this is something that will need to be clarified. Town Manager Heatherly states he will have to look into this and get back to Council on this issue. Town Attorney Goodwin states that the policy outline format, including the 2036 date, was prepared by the Arizona League of Cities and Towns for all of the cities. Town Attorney Goodwin believes that is the correct date but Joe will confirm that. The Town is required to adopt a PSPRS Pension Funding Policy by July 1<sup>st</sup> by State law. Vice Mayor Gonzales asks if Council can approve this and amend it if that 2036 date is wrong. Town Attorney Goodwin states yes but the Town Manager will need to confirm the date and if it is incorrect the Council can do an addendum. Councilmember Medina moved to approve the Town of Miami Public Safety Personnel Retirement System Pension Funding Policy. Seconded by Mayor Dalley. Mayor Dalley calls for the vote. Vote - Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black – yea, Councilmember Bringham – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

**C. Information, discussion and possible action:** To give direction to staff to perform a Special Income Survey of Town of Miami residents for the purpose of applying for Federal grant money.

Josh Derhammer, Engineering Tech, presents this item to Council. Mr. Derhammer explains that the survey is to determine the low to moderate income ratios for the Town of Miami. The information collected will be used to determine eligibility for Federal grants including CDBG grants. Mr. Derhammer briefly reviews the 3 essential parts of the survey. The information collected is confidential and not used by the Town of Miami. They will be sent directly to CAG where they will be tabulated. Brief discussion regarding the Town being a designated Colonia and does this help. It is stated that being a designated Colonia helps but has no impact on this survey. Town Manager Heatherly explains that the Town gave CAG a listing of every address within the Town of Miami and they used a computer correlation and they extracted certain addresses on each street as a percentage, it was just random. The Town is not allowed by law to just pick and choose, or stack the deck with low income residents. Town Manager Heatherly explains that last year Miami was at a modification rate of about 53 something. Once you get above 50% you are at low income, now Miami is at a 42 which takes Miami out of the low income range. This is not something that the Town did. Town Manager Heatherly states that every year some organization or Federal organization does these surveys, and it is done every year and they use a 5 year average, so the fifth year got dropped off and the new stuff got added. This drastically changed Miami; this happened to a lot of other communities as well. In order to dispute this we need to do this survey and submit it to CAG and they will submit it to ADOH and then the numbers will be looked at. Then they can recalculate what that number is and hopefully it will put Miami some place above 51%. Councilmember Medina moved to give direction to staff to perform a Special Income Survey of Town of Miami residents for the purpose of applying for Federal grant money. Seconded by Vice Mayor Gonzales. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black – yea, Councilmember Bringham – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

**D. Information and discussion only:** Discussion regarding the findings of the Gila County Excise Tax audit completed by the Arizona Auditor General's Office.

Town Manager Heatherly explains that the Arizona Auditor General's Office has completed the audit of the Gila County Excise Tax. Town Manager Heatherly states they used information from the auditors to get the information. There is an issue in the audit report about the actual reporting of what has happened within the Town of Miami. The bottom line, after talking to the Auditor General's Office and the auditors, we are not positive of what the full impact will be, it is being worked on right now. The balance sheet numbers generated by Caselle show significantly more cash in certain funds than what the auditors stated. Usually that is not that big of a deal but when you get with HURF funds and other restricted funds this should raise a concern. Town Manager Heatherly reviews the findings of the report. Town Manager Heatherly explains that it gets complicated because we take HURF money and the Excise Tax and put it into one fund, but we do monitor each one individually as to what the contributions are, we have separate accounts. But when it comes to paying for expenses, we don't separate

them, we just pay it. What it boils down to is you have to have a fairly sophisticated accounting system to determine whether it is on a last in, first out (LIFO), first in, last out (FILO), when the money comes in, which ones are used to pay expenses first. It is very complicated and he has spoken to Caselle about this. Town Manager Heatherly states that he and Samantha are going to go to Salt Lake City to meet with Caselle in July to go through the details of the general ledger and cost allocation program they need to have an understanding of how that works. Hopefully within the next month we can get this thing resolved. Staff is working on policies and procedures for the accounts payable side. We have enough money in all our accounts to know that HURF and the Excise Tax did not have to pay for other things. Town Manager Heatherly comments on the review of the indirect administrative cost of the program. They are basically saying they don't know if it is applicable or not. The auditors have issued a statement saying in their opinion it is ok. Town Manager Heatherly comments on developing and implementing policies and procedures. Town Manager Heatherly states he should have more information on this in the next 2 weeks. Councilmember Black asks how much will the cost be to the Town at 10%. Town Manager Heatherly states on the Excise Tax he believes is about \$115,000, so 10% of that. Brief discussion regarding what years this covers. Discussion and comments regarding the HURF funds and Excise Tax funds reports. Open discussion and comments regarding the Caselle accounting program. Town Manager Heatherly states he thinks we are going to be able to fix a large portion of this really fast. Some of the other stuff having to do with HURF itself, there is an issue there and we are going to have to pay that back.

**E. Information, discussion and possible action:** Request approval from Council to proceed with lease purchase of Backhoe Loader and Skid Steer Loader from Empire Southwest, a Caterpillar Distributor, located in Phoenix, AZ.

Town Manager Heatherly presents this item to Council and explains the Town's need for this equipment. He did some investigating with some of the major manufacturers of equipment and municipalities, Empire Southwest came back with the most favorable recommendations. The numbers presented are to lease/purchase a backhoe and skid steer loader with additional equipment. Included in the price is the maintenance/service agreement. Brief discussion on the advantages of the maintenance/service agreement. Town Manager Heatherly explains that the sales tax will be invoiced under a separate invoice and that is approximately \$2,400.00 per year. Discussion regarding the balloon payment at the end of the lease year. Brief discussion on what the equipment will be used for. The majority of work with equipment like this is for roadwork. May be used for the park or sewer issues if needed. Brief discussion regarding if a rock hammer is included with this equipment. It is not, but can be rented for a day, week or month if it was specifically needed. Brief discussion regarding the lease option and at the end of the 7 years and if we want to keep the equipment we would need to finish with the balloon payment. Councilmember Black states that he would like to see the actual lease/purchase contract. It is explained that the Town has 30 day to make a decision on this proposal. Councilmember Black moves to table this item so he can read it and make his best opinion of it. No second – motion dies. Town Attorney Goodwin asks if Caterpillar Financial Services provided the actual lease/purchase agreement. Town Manager Heatherly states it was attached. Town Attorney Goodwin states no, it is not attached. Town Attorney Goodwin states that we need to read the lease/purchase agreement which will have some very important terms

in it. One of the terms in every lease/purchase that she has seen is a representation that it was bid, this doesn't sound like it was bid. Town Manager Heatherly comments that on the lease it lays out that if we exceed the hours then we will be charged for the overage of hours if we do not buy it. Vice Mayor Gonzales asks the Town Attorney if we have to go out to bid for the equipment. Town Attorney Goodwin states she don't have the procurement code in front of her but she thinks it would have to, which is typical with a lease/purchase agreement. Discussion regarding the yearly sales tax and the option for the lease balloon payment. Discussion regarding buying the equipment outright and keeping it or turning it in and using the \$38,000.00 for a new piece of equipment. Discussion regarding the non-appropriation clause which allows us to opt out if we need to get out of the lease. Town Attorney Goodwin explains that Council can approve this in concept and then get the document and get it reviewed and approved, but she is concerned that it wasn't bid, so she will need to review the procurement code. Vice mayor Gonzales moved to approve the transaction in concept and have the Town Attorney review the lease/purchase documents and then they will come back to Council for final approval. Seconded by Councilmember Medina. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black –yea, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

**F. Information and discussion only:** Review and discussion regarding the Miami Wastewater Collection System Improvement Project Phase 2 and Phase 3-5 and CDBG Project 143-17.

Town Manager Heatherly comments that the CDBG Street Improvement Project was completed last month. We are still working on the issues of Phase 2 and working with HilgartWilson and we need to review the bid for the repairs from KE&G. Mr. Nohe Garcia of KE&G gives a project update for Phases 3-5. Paving is scheduled for the 15<sup>th</sup>. All in all, everything is going well. They are shooting for the 15<sup>th</sup> as a substantial completion date. Brief discussion regarding the remaining CIPP.

**Councilmember Black excuses himself from the meeting at 8:20 p.m.**

**G. Information, discussion and possible action:** To approve HilgartWilson, Amendment No. 3 in the amount of \$86,117.50 (for additional CM).

Town Manager Heatherly states the Wastewater Advisory Board has reviewed this and recommended it for approval, he does not see any issues with it. Councilmember Medina moved to approve HilgartWilson, Amendment No. 3 in the amount of \$86,117.50 (for additional CM). Seconded by Councilmember Bringhurst. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black –excused, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

**H. Information, discussion and possible action:** To approve Town of Miami Phase 2 Sewer Construction Management for Repairs to the Phase 2 Sewer System Agreement with HilgartWilson.

Mayor Dalley moved to table this item. Seconded by Councilmember Medina. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black –excused, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED – ITEM TABLED.

**I. Information, discussion and possible action:** To approve, subject to funding agency concurrence, payment application for Town of Miami, in the amount of \$37,850.78 for sewer project related expenses.

Town Manager Heatherly presents this item to Council, it was recommended for approval by the Wastewater Advisory Board. Councilmember Medina moved to approve, subject to funding agency concurrence, payment application for Town of Miami, in the amount of \$37,850.78 for sewer project related expenses. Seconded by Mayor Dalley. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black –excused, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

**J. Information, discussion and possible action:** To approve, subject to funding agency concurrence, payment application for KE&G, in the amount of \$743,743.58 for sewer project work completed.

Town Manager Heatherly presents this item to Council, it was recommended for approval by the Wastewater Advisory Board. Councilmember Medina moved to approve, subject to funding agency concurrence, payment application for KE&G, in the amount of \$743,743.58 for sewer project work completed. Seconded by Councilmember Bringhurst. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black – excused, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

**K. Information, discussion and possible action:** To approve, subject to funding agency concurrence, payment application for Hilgart Wilson, in the amount of \$35,106.50 for sewer project related expenses Phases 3-5 expenditures for HilgartWilson.

Town Manager Heatherly presents this item to Council, it was recommended for approval by the Wastewater Advisory Board. Councilmember Medina moved to approve, subject to funding agency concurrence, payment application for Hilgart Wilson, in the amount of \$35,106.50 for sewer project related expenses Phases 3-5 expenditures for HilgartWilson. Seconded by Councilmember Bringhurst. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black –excused, Councilmember

Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

**10. CALL TO THE COUNCIL:**

Councilmember Medina thanks everyone for coming to the meeting.

Mayor Dalley reminds everyone that the Wastewater Advisory Board meets the Thursday before the second Council meeting of each month if anyone would like to attend those meetings.

**11. ADJOURNMENT:**

Councilmember Medina moved to adjourn the meeting. Seconded by Councilmember Moat. Mayor Dalley calls for the vote. Vote – Mayor Dalley – yea, Vice Mayor Gonzales – yea, Councilmember Black – excused, Councilmember Bringhurst – yea, Councilmember Medina – yea, Councilmember Moat – yea, and Councilmember Reiman – excused. MOTION PASSED.

Meeting adjourned at 8:32 p.m.

**CERTIFICATION:**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular meeting of the Town Council of the Town of Miami, AZ held on the 24th day of June, 2019.

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

DATED this 8th day of July 2019.

  
\_\_\_\_\_  
Karen Norris, Town Clerk

**APPROVED:**

  
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Darryl Dalley, Mayor