



MINUTES

TOWN OF MIAMI

BUDGET WORK SESSION OF THE MAYOR AND COUNCIL MONDAY, MAY 18, 2020 AT 5:00 PM

1. CALL TO ORDER:

Mayor Gonzales calls the meeting to order at 5:03 p.m.

2. PLEDGE OF ALLEGIANCE/INVOCATION:

Mayor Gonzales led the pledge of allegiance and Councilmember Medina gave the invocation.

3. ROLL CALL OF COUNCIL MEMBERS:

PRESENT: Mayor Gonzales, Vice Mayor Moat, Councilmember Black, Councilmember Bringham, Councilmember Medina, and Councilmember Reiman.

STAFF PRESENT: Town Manager Heatherly, Community Services Coordinator Christine Duarte, Engineer Tech Joshua Derhammer and Town Clerk Norris.

4. BUSINESS:

- A. Information and discussion only:** Open discussion between the staff and Council regarding FY 2020/2021 proposed budget.

Town Manager Heatherly announces the Mark from the Arizona Republic newspaper is present to observe the meeting and take some pictures. He will be writing an article about how small towns are struggling through the pandemic and how they are handling many of the obstacles as a result of the pandemic.

Town Manager Heatherly states we are getting close to getting this budget together. Gives a brief recap of what Council reviewed at the last budget work session. Town Manager Heatherly explains that he has highlighted some things that are not positive but had to be added to the proposed budget; minimum wage increase, medical insurance premium increase and debt service to Globe and Gila County. Town Manager Heatherly comments on some of the things staff has gone through and suggested implementing. Comments on proposed increase to the courier fees, sewer fees, septic receiving fees and reducing outstanding utility receivables and increase property tax. Review and explanation of items that staff went back through such as administration, executive, parks and recreation and transit, making reductions in those areas. Town Manager Heatherly states that until he gets direction from Council he did not make any

specific changes to the proposed budget. Brief discussion regarding the unknown effect on the town due to the COVID-19. Town Manager Heatherly states that our biggest thing right now is the DOC workers, without them it is putting a big strain on the public works department. Town Manager Heatherly explains that he has looked at staffing and other things we do and it is difficult to figure out. Hiring staff is difficult right now with unemployment paying more than we do. Town Manager Heatherly comments on his opposition to raising taxes but right now there is no other option. Town Manager Heatherly comments on the property tax and if Council don't approve to move forward with it, it cannot be done for another year. Town Manager Heatherly reviews and comments on grants staff is working on. Comments on economic development. Three main things we need to do is control expenditures, collect revenues and get grants. Discussion and comments regarding the 2.5% shortfall of the sewer rate increase and what we can do to make up for that not passing. Discussion and comments regarding the ICAP allocation issues. Discussion regarding the budget amount without considering the grants. Discussion and comments regarding employees and wages. Councilmember Black comments on the residents on fixed incomes. Town Manager Heatherly comments that if the town is going to provide services, it needs to be paid for and it has to be passed on to the citizens. Mayor Gonzales asks Town Manager Heatherly what is he asking Council for. Town Manager Heatherly explains he asked for the sewer rate increase, which did not pass and the property tax increase. Councilmember Reiman asks if the property tax increase was to pass when will the town see the money from that. Town Manager Heatherly states somewhere near the end of the fiscal year, maybe June. Councilmember Reiman states that essentially it would have no impact on this budget period. Open discussion and comments regarding the proposed property tax increase. Councilmember Black states his opinion is that 25% increase of the property tax is just too much of a burden on the residents. Open discussion and comments regarding the Alternative Case Options provided by the Town Manager. Alternative A – Continued loss of DOC Workers, Alternative B – Loss of State Shared Revenue 5-25% and Alternative C – Loss of State Shared Revenue exceeding 25%. Councilmember Black states that he would not be opposed to a 5% increase to the property tax but he will not support a 25% increase. Open discussion and comments regarding how much money would actually come to the town with the property tax increase. Discussion and comments on how much of an impact a 25% increase would have on property owners tax bill. Discussion regarding on how the taxing process works, such as taxing the assessed valued vs. the actual value.

5. ADJOURNMENT:

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

Meeting adjourned at 6:08 p.m.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Budget Work Session of the Town Council of the Town of Miami, AZ held on the 18th day of May, 2020.

I further certify that the meeting was duly called and that a quorum was present.
DATED this 26th day of May 2020.



Karen Norris, Town Clerk

APPROVED:



Sammy Gonzales, Mayor