

# CONSENT AGENDA

Agenda Item: IX-A  
Date: 01/23/12

MINUTES OF THE REGULAR MEETING OF  
THE ELOY CITY COUNCIL  
CITY OF ELOY  
628 NORTH MAIN STREET  
ELOY, ARIZONA 85131  
JANUARY 9, 2012  
7:00 P.M.

**Staff Present:** Ruth Osuna-City Manager; Stephen Cooper-City Attorney; Mary Myers-City Clerk; Bill Pitman-Chief of Police; Rick Miller-Interim Community Development Director; John Mitchell-City Engineer; Brian Wright-Finance Director

**I. CALL TO ORDER**

Mayor Jackson called the meeting to order at approximately 7:03 p.m.

**II. INVOCATION**

Mayor Jackson asked for a moment of silence.

**III. PLEDGE OF ALLEGIANCE**

Mayor Jackson led the Council and public in the Pledge of Allegiance.

**IV. ROLL CALL**

**Council Members Present:**, Council Member Etta Ruth Amerson, Vice Mayor Frank Acuña, Mayor Byron Jackson, Council Member Joel Belloc, Council Member J.W. Tidwell, Council Member Jesse Rosel

**Council Members Absent:** Council Member Belinda Akes (called in)

**V. COMMUNICATIONS**

Ms. Osuna conveyed the following communications to Council:

- City had a positive article recently written about its cemetery. She thanked park staff for all their hard work making the cemetery look beautiful during the holiday season;
- Gave Council attachments for Thursday night's work session on water and

wastewater rates. She also included a memo which answers three questions Council Member Tidwell proposed to staff at the last public hearing.

- Asked Council to confirm with Mrs. Myers if they plan to attend this year's Chamber of Commerce banquet;
- All city employees will be attending customer service training the end of this month;
- Received positive comments from employees who attended the supervisory training last month;
- New telephone system will be installed this month. Employees will receive training on the new phone system; and
- Legislative session has started; the first inter-gov meeting for all the cities will be this Friday. She will be updating Council on the legislative session as it gets started.

#### **VI. APPEARANCES FROM THE FLOOR**

1. Mobile Home Text Amendment - Enrique Carrillo, 3440 W. Corridos Dr., asked Council to be more flexible than the proposed amendment pertaining to older mobile homes. The three year of newer requirement is too restrictive for the community which is at a poverty level. Mr. Carrillo said people cannot afford mobile homes that are three years or newer. He said the amendment is scheduled to go before the Planning and Zoning Commission on January 18<sup>th</sup>.
2. Mobile Home Text Amendment - Lin Carrillo, 3440 W. Corridos Dr., also asked Council to consider being more lenient with the mobile home text amendment. She said people that she and her husband has talked to want to upgrade their mobile homes, but cannot afford to based on the current ordinance. She also wants Council to relax the landscaping restrictions. Ms. Carrillo said the way the current ordinance is written, if someone's home is destroyed by a act of nature, that person would not be able to put another mobile home on the property because more than likely they will not have enough insurance coverage to get the home replaced. More than likely, the homeowner would have to pay out of pocket which he/she would not be able to do financially.
3. Battaglia Road Speed Limit - Billy Hammond, 12228 W. Lobo Drive, Arizona City, inquired about the status of her request and petition she submitted to Council last October, about changing the speed limit back to 45 mph on Battaglia Road. Ms. Hammond said on January 6<sup>th</sup> while driving 40 mph on Battaglia Road, a sheriff's vehicle traveling over 40 mph passed her with no lights or siren on. Ms. Hammond said if law enforcement won't adhere to the 35 mph speed limit on Battaglia, then why should anyone else.

Mayor Jackson conveyed to Ms. Hammond that Council could not discuss this item

because it was not listed on tonight's agenda. However, he told her that he would speak to her after the meeting. As far as the sheriff's vehicle, Mayor Jackson said sometimes law enforcement does not have their lights and sirens on when responding to a call.

Ms. Hammond asked to be notified when the item is discussed so she can be present.

At this time, Ms. Hammond gave Ms. Osuna the license plate number of the sheriff deputy's vehicle as well as her phone number and address to contact about the meeting.

4. Eloy Community Action Team (ECAT) - Charles "Curley" Coyle, 515 W. 1<sup>st</sup> Street, thanked Council for the city's assistance and participation with ECAT in its efforts in making Eloy a better place to live. Mr. Coyle thanked city staff for participating in issues that needed to be discussed. He said he hopes Council and staff continue to attend future meetings not as members of Council, but as citizens who want to help the organization do positive things for the community. Mr. Coyle voiced that ECAT meetings are held the first Thursday of every month, at 7:00 p.m., at the public library.

## **VII. EXECUTIVE SESSION**

Mr. Cooper voiced that an executive session would not be needed tonight.

## **VIII. CONSENT AGENDA**

Motion by Vice Mayor Acuña, seconded by Council Member Belloc, to approve the Consent Agenda as presented, passed unanimously by roll call vote.

<u>Agenda Item</u>	<u>Subject</u>
--------------------	----------------

## **IX. BUSINESS**

- A. Approval of Minutes: 12/12/11 (regular)
- B. Approval to Co-Sponsor the 2012 Martin Luther King, Jr. Day event by providing in-kind services, and monetary assistance.

## **IX. BUSINESS**

**C. ADOPTION OF RESOLUTION 12-1250 APPROVING AND EXECUTING A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY (WIFA) OF ARIZONA; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE CITY MANAGER AND THE FINANCE DIRECTOR AND DECLARING AN EMERGENCY**

Motion by Vice Mayor Acuña, seconded by Council Member Tidwell, to read Resolution No. 12-1250 by title only, passed unanimously.

**Cover sheet discussion:** *On May 23, 2011, the WIFA Board approved a loan for the City of Eloy not to exceed \$2 million. This loan is provided through WIFA's Drinking Water Revolving Fund Program and will fund improvements to the existing booster station, including new pumps to provide a firm capacity of 4000 gallons per minute (gpm); approximately 7200 lineal feet (LF) of new sixteen (16) inch water main from the booster station to Toltec Highway; and, approximately 800 LF of new twelve (12) inch water main in Toltec Highway. The new sixteen (16) inch water main will connect to the existing twelve (12) inch water main currently serving Sunland Gin Road.*

*The City of Eloy water system dates back to the early to mid-1960s. The system consists of four groundwater wells (one used for emergency purposes only) and three pumping stations. The system is inter-connected with six, eight, and twelve inch water mains of which most date back to the 1960's and utilize asbestos concrete materials.*

*The City's current water distribution infrastructure exists to meet the legitimate needs of residential and commercial customers in the Toltec Highway and Sunland Gin Road areas located in the western portion of the City of Eloy (see attached area map). The Toltec Highway area is served by a 7,900 LF, six (6) water main from a booster station (Booster Station 2) located at Highway 84 and Houser Road. The Sunland Gin area is served by a 19,000 LF, twelve (12) inch main fed by the same six inch main serving the Toltec Highway area. Adequate looping does not exist to insure system reliability.*

*The Houser-Toltec Water Main Improvement Project (Project) will provide the backbone infrastructure necessary to allow for future system improvements. System improvements will include new wells, storage and booster facilities, and water mains.*

*This loan agreement must be executed by the Mayor and City Council before the loan closing can take place. The City's bond attorney, Michael Cafiso, has approved this*

*resolution and its content.*

Ms. Osuna conveyed this resolution will allow the city sign loan documents, close on the loan, and receive the \$2.0 million for the Houser Road waterline project.

Mayor Jackson asked about the payback portion of the loan. He wanted to know how the city plans to pay back the loan.

Mr. Wright conveyed the payback for the loan is built into the city's proposed water rates that were presented to Council last November. It will cost the city approximately \$144,000 annually for the next 20 years to repay the loan. He said the interest rate will be slightly reduced at the closing of the loan because the city is considered a Colonia.

Mayor Jackson wanted to know how would the loan be repaid if the proposed water rates are not approved.

Mr. Wright explained that the \$2.0 million the city allocated in this year's budget would be used for repayment until the rates are approved.

Vice Mayor Acuña reminded Council that money was already set aside for this project. The city applied for the WIFA loan because Council asked for another funding source.

Mayor Jackson asked if the city borrows the \$2.0 million, what would be the total amount of the loan.

Mr. Wright said total principal and interest would be approximately \$2.7 million. Current interest rates on the draft loan documents are 2.8%, but will drop .25% to .5% once the documents are finalized.

Mayor Jackson asked if this something the city could pay outright without incurring \$700,000 in interest.

Ms. Osuna explained that the loan documents states the interest shall not exceed 5% (\$100,000) per year. When Council approved the \$2.0 million for this project, Council also decided to seek funds for the \$2.0 million loan. She said the city was in a position where it did not know which one it was going to get. Staff was able to secure the \$2.0 million loan based on the city's current rates. Ms. Osuna voiced if the city raised the rates, funding would be available through the raised rates. If the city does not increase rates, the city still has the funding to pay back the WIFA loan based on the \$2.0 million already set aside.

Ms. Osuna pointed out that the city may not raise rates right away, but within the next 20 years the city will probably have to raise water and wastewater rates for operation and maintenance.

Mr. Wright also pointed out that if the loan is approved tonight, the city cannot pay the loan off in the first 10 years.

Mayor Jackson conveyed that he would have like to have reviewed the loan documents.

Mr. Wright said he thought he forwarded them to Council, but said he could email the draft loan documents to Council if so desired..

Motion by Vice Mayor Acuña, seconded by Council Member Amerson to adopt Resolution No. 12-1250 passed unanimously.

**D. APPROVAL OF ORDINANCE 12-806 AMENDING CHAPTER 16A-ARTICLE I, SUB-SECTIONS 16A-1, 16A-2, 16A-3, AND 16A-4 AND ARTICLE II, SUB-SECTIONS 16A-5, 16A-6, 16A-7, 16A-8, 16A-9, AND 16A-10 RELATING TO DEVELOPMENT FEE PROCEDURES AND REQUIREMENTS AND FEE SCHEDULE**

Motion by Vice Mayor Acuña, seconded by Council Member Belloc to read Ordinance No. 12-806 by title only, passed unanimously.

*Cover sheet discussion: Governor Jan Brewer signed Senate Bill 1525 into law on April 26, 2011 which significantly amended the development fee enabling legislation. The changes impact how development fees are calculated and how they are administered by the City. SB 1525 has several compliance dates over a series of years with the first occurring on January 1, 2012 which is the date by which City's must stop collecting impact fees for certain public services, facilities and equipment. After January 1, 2012, the municipalities in Arizona may assess development impact fees for only those necessary public services authorized by SB 1525.*

*The City can revise its development fee schedule to eliminate prohibited development fees without having to go through the lengthy public process prescribed by ARS 9-463.05 since the fees are not "new" or "modified" fees. The January 1, 2012 Interim Development Fees Report (including Compliant Fee Schedule Figure 2 on page 6), dated December 6, 2011, prepared by Tischler Bise, will be the "interim" fees beginning January 1, 2012 and the date when the City updates its fees prior to August 1, 2014.*

*The attached Ordinance was primarily changed by adding the definitions from the League of Arizona Cities and Towns model impact fee ordinance to those definitions in the City's Impact Fee Ordinance. In addition the fee schedule in Article II of the model impact fee ordinance was amended based on the Tischler Bise interim fee recommendations which are intended to be compliant with SB 1525.*

*One change which staff is recommending approval is included in 16A-3: General Provisions; Applicability; Authority: C. 3. D. which states that "Except as otherwise provided herein, this Chapter shall apply to all new development within any Service Area, except for the development of any public school, private school or City facility." Previously, neither public nor private schools exempt from paying impact fees. Staff recommends including this exemption to encourage the re-building and improvements of existing education institutions within the City of Eloy.*

#### **FISCAL IMPACT**

*The City of Eloy receives impact fees when building permits are issued for residential and non-residential land use categories. The corrections recommended by Tischler Bise, to be compliant with Senate Bill 1525, reduces the ¾" water meter impact fees by 8.12% and 56% for other necessary public facility impact fees on residential development. The largest reduction in impact fees comes from the elimination of municipal facilities and equipment, and a reduction in library and neighborhood parks and recreational facility fees.*

*A small retail building of less than 25,000 square feet would pay 59.5% less. A small office of less than 10,000 square feet would pay 80.8% less. A manufacturing facility would pay 91.2% less. These reductions in non-residential land use categories are also caused by the elimination of the municipal facilities and equipment impact fee. Under the new ordinance, non-residential will only pay impact fees for water/wastewater and police. The proposed ordinance has no impact on fee collection for police services.*

Ms. Osuna conveyed that at the last meeting, she gave a presentation on the passage of Senate Bill 1525. The bill requires all cities to become compliant with the new law by January 1, 2012. The firm of Tischler Bise completed a report for the city which outlined all the new interim development fees. The city has between now and the year 2014 to finalize its development fees ordinance with all the new requirements. Ms. Osuna voiced that adoption of this ordinance will be an interim ordinance, but will have all of the newly required development fees and definitions.

Motion by Vice Mayor Acufia, seconded by Council Member Rosel to adopt Ordinance No. 12-806 passed unanimously.

**X. COMMITTEE REPORTS**

No Committee Reports submitted.

**XI. INFORMATIONAL ITEMS**

The following informational items were submitted for Council review:

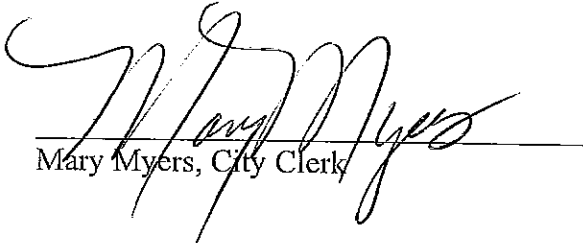
- a. December Checklist Report
- b. December Financial Report
- c. Memo-Pressure Reducing Valve-Approval to Purchase Materials

**XII. ADJOURNMENT**

There being no further business, Mayor Jackson adjourned the meeting at approximately 7:41 p.m.

  
Byron Jackson, Mayor

ATTEST:

  
Mary Myers, City Clerk