

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
MAY 9, 2016
6:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; William Pitman Chief of Police; Brian Wright-Finance Director; Ken Martin-City Engineer/Public Works Director; Paul Anchondo-Parks and Recreation Director; Rus Ketcham-Library Director; Jon Vlaming-Community Development Director; Zenia Cornejo-Management Assistant; Lance Dunagan-Public Works Superintendent

I. CALL TO ORDER

Mayor Belloc called the meeting to order at approximately 6:01 p.m.

II. INVOCATION

Invocation was given by Mayor Belloc.

III. PLEDGE OF ALLEGIANCE

Vice Mayor Powell led Council and the public in the Pledge of Allegiance.

IV. ROLL CALL

Council Members Present: Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez; Councilmember Augustine Saucedo; Mayor Joel Belloc; Vice Mayor Micah Powell; Councilmember J.W. Tidwell; Councilmember J.R. Nagy

Council Members Absent: None

V. COMMUNICATIONS

Vice Mayor Powell conveyed that the girls' high school softball team is playing for the championship today in Tempe. He asked the public to keep the team in their thoughts.

Mr. Krauss had no communications for Council tonight.

VI. APPEARANCES FROM THE FLOOR

None.

VII. EXECUTIVE SESSION

Mr. Cooper conveyed that it's his understanding that a request has been made to perhaps have an executive session with regards to contract issues. He explained that because Council is discussing the budget, Council can hold an executive session to speak to a contract issue. However, suggested that if Council does that perhaps at another meeting that it be made an agenda item so Council can entertain public discussion or seek legal advice or contractual negotiations with staff given them some direction.

Mayor Belloc said this is not in reference to any item on tonight's agenda.

Mr. Cooper said this is correct; except that item IX-F reads "Review and discussion of proposed budget for FY 2016-2017."

Mayor Belloc said he will play this one by ear to see where Council is at in terms of time towards the end of the meeting.

VIII. CONSENT AGENDA

Councilmember Nagy requested agenda item "C" be removed from the Consent Agenda.

Agenda Item

Subject

IX-A. Approval of Minutes: 4/25/16 (regular)

IX-B. Authorize a Grant Agreement with the City of Tucson for the purpose of funding a sworn officer position with the Pinal County Narcotics Task Force (Grant # HT-16-2619).

~~IX-C. Authorize revisions to the Eloy Chamber of Commerce Agreement with the City amending financial reporting requirements, and office hours.~~

IX-D. Final Plat for Robson Ranch Unit Twenty "A" (20A) generally located at the northeast corner of Robson Blvd. and Cherry Oaks Drive subdividing 11.33 acres into 77 residential lots.

Motion by Councilmember Tidwell, seconded by Vice Mayor Powell removed agenda item IX-C from the Consent Agenda for discussion and approve remaining Consent Agenda items as presented, passed unanimously by roll call vote.

IX. BUSINESS

C. AUTHORIZE REVISIONS TO THE ELOY CHAMBER OF COMMERCE AGREEMENT WITH THE CITY AMENDING FINANCIAL REPORTING REQUIREMENTS, AND OFFICE HOURS.

Cover sheet discussion: *Council consider a request from the Eloy Chamber of Commerce Board of Directors to approve a revised Agreement between the Eloy Chamber of Commerce and the City of Eloy effective July 1, 2016, amending the financial reporting requirements and office hours for the Chamber.*

The City approved an agreement with the Eloy Chamber of Commerce on July 1, 2012, and amended the Agreement in January 2015. Since the City provides the majority of funding for the Eloy Chamber of Commerce, an agreement is needed to outline the services the Chamber will provide to businesses, promotion of community events and tourism, and support in expanding the City's economic base. In addition, the operational aspects of the Chamber in regards to financial accounting, reporting, office hours, insurance, and other matters are addressed in this Agreement.

At a recent Council meeting, Mr. Terry Strain, President of the Chamber of Commerce, requested that the Chamber be relieved of the requirement to submit an audited financial statement at the end of the fiscal year. The audited financial statement, which is prepared by an independent auditing firm, costs approximately \$1,600. In lieu of this requirement, the Chamber Director would submit quarterly as well as a year-end financial report of revenues and expenditures to the City's Finance Director for review. The Chamber's Board of Directors contend that the amount of the Chamber's budget doesn't merit an independent audited statement. In addition, the Chamber Director asked that the Chamber hours be amended in the Agreement from 9:00 a.m. to 4:00 p.m. to 8:00 a.m. to 3:00 p.m. weekdays.

In addition to financial reporting and office hours, there were minor language changes on the services provided by the Chamber. The Agreement has been amended to reflect these changes, and the revised Agreement would be effective on July 1, 2016.

FISCAL IMPACT:

The Eloy Chamber of Commerce requested \$30,000 in the FY2016-17 budget.

Councilmember Nagy expressed concern about the Chamber's request to omit the requirement of the annual audited financial statement in the proposed agreement with the city. Councilmember Nagy wanted to know the difference between an audited statement and a regular statement.

Mr. Wright explained that an audited statement is required by law for a city; however non profits and 501C3 organizations are not required by law to have

audited financial statements. Non profits are required to file a tax statement with the IRS.

Councilmember Nagy did not like the language on page 3, *Article III. Term*. He said it's not in the best interest of the city to have the contract automatically renew each year without it coming before Council for approval.

Mayor Belloc explained that the contract will automatically renew but the funding will not. If the Chamber request for funding, they will be required to come before the Council each year for possible approval.

Councilmember Nagy wanted assurances that funding would not automatically renew and that it would be voted on each year.

Mr. Cooper conveyed that Mayor Belloc was correct.

Vice Mayor Powell wanted to clarify that it is the contract that automatically renews and not the funding.

Mr. Cooper said yes. He pointed out on page 3; *Article IV* in the contract, there is a 60 day termination clause that the Chamber or the city can implement at any time.

Councilmember Nagy stated he still did not like the language used in Article III and that the wording should be more "clean cut" because it reads as though it's going to happen automatically every year.

Councilmember Saucedo suggested removing the word "automatic" in the last sentence.

Councilmember Nagy agreed with Councilmember Saucedo's suggestion.

Motion by Councilmember Saucedo, seconded by Councilmember Rodriguez to approve the Eloy Chamber of Commerce Agreement with the City and to remove the word "automatic" in last paragraph on page 3, Article III, Term, passed unanimously.

E. CONSTRUCTION CONTRACT AGREEMENT WITH PAVEX CORPORATION FOR THE CONSTRUCTION OF THREE TAXI-LANES AT THE ELOY MUNICIPAL AIRPORT FOR NEW T-HANGARS.

Cover sheet discussion: *Council approve a Construction Contract Agreement with Pavex Corporation in the amount of \$387,387.00 for the construction of three taxi-lanes at the Eloy Municipal Airport for new t-hangars.*

On February 6, 2015, the City of Eloy received a fully executed Airport Development Reimbursable Grant Agreement between the State of Arizona, Department of Transportation and the City of Eloy for the design and construction of three taxi-lanes in the amount of \$1,012,500. Per the State's obligation to provide the funds, the design and the construction of the three taxi-lanes is to be completed no later than December 12, 2018.

This is a much anticipated project for the Eloy Municipal Airport since it will allow for the construction of new t-hangars. After the completion of the three taxi-lanes, staff will be pursuing the construction of up to 20 new t-hangars. There is currently a waiting list of individuals waiting to rent t-hangars.

On March 1, 2016, staff received written notification from ADOT that the 100% design plans were reviewed and approved without comment. Staff published a Request for Proposal (RFP) from March 9-11, 2016 at the Casa Grande Dispatch. The public notice included the state's mandatory pre-bid conference and RFP due date of April 6, 2016.

On April 6, 2016 at 3 p.m. City staff opened bids for the construction of the three taxi-lanes. The City received three (3) proposals. The three proposals are listed below.

<i>Ranking</i>	<i>Contractor</i>	<i>Bid Amount</i>
<i>1</i>	<i>Pavex Corporation</i>	<i>\$387,387.00</i>
<i>2</i>	<i>Granite Construction Co.</i>	<i>\$425,198.00</i>
<i>3</i>	<i>Combs Construction Co Inc.</i>	<i>\$430,574.75</i>

After careful review of all bid documents, staff and DOWL, the City's airport engineer determined that the apparent lowest and most responsible qualified bidder is Pavex Corporation. DOWL examined Pavex's bid and concluded that it complied with the project requirements, including a 10% bid bond and an acknowledgement receipt of all addenda. In addition, DOWL confirmed that Pavex is properly licensed for the work required and can meet all bonding requirements. The ADOT Project Manager concurs with staff's and DOWL's assessment and recommendation.

It is anticipated that this construction project will be completed within 60 days after receipt of the notice to proceed.

FISCAL IMPACT:

This project is a State/Local funded project. ADOT awarded the City of Eloy a grant in the amount of \$1,012,500. This amount will cover 90% of the estimated project cost. The City of Eloy will be responsible for the remaining 10% which is \$112,500. The total project cost is estimated at \$1,125,000. Funds were designated in the Airport budget in anticipation of this project.

Mr. Krauss gave a brief overview of the three taxi lanes project at the airport.

Mayor Belloc asked if the contractor submitted a time schedule for project.

Mr. Krauss said yes; he believed the project will take approximately 60 days to complete.

Vice Mayor Powell wanted to know how many people are on the t-hangar waiting list at the airport and how much does it cost to construct each t-hangar.

Mr. Krauss said there are 18 names on the waiting list. As far as cost to construct a t-hangar, Mr. Krauss conveyed that staff has gotten several estimates; however staff is not at that point of discussing costs due to more research needed.

Motion by Vice Mayor Powell, seconded by Councilmember Saucedo to approve a construction agreement with Pavex Corporation for the construction of three taxi-lanes at the Eloy Municipal Airport for new t-hangars, passed unanimously.

NOTE: Mayor Belloc moved "Informational Items" before agenda item IX-F.

X. INFORMATIONAL ITEMS

- a. April Financial Report – No comments and/or questions from Council.
- b. April Check List Report – No comments and/or questions from Council.

IX. BUSINESS (continued)

F. REVIEW AND DISCUSSION OF PROPOSED BUDGET FOR FY 2016-2017

Mr. Krauss reviewed and discussed the FY2016-17 budget with Council. All departments in the general fund were discussed as well as the Streets Fund and Streets One Time Fund. After discussion of these funds, Mr. Krauss told Council that staff will review and discuss the remainder of the budget at the May 16th budget work session.

Note: During budget discussion Mayor Belloc called for a short break at approximately 7:36p.m. He reconvened the public meeting at approximately 7:46pm.

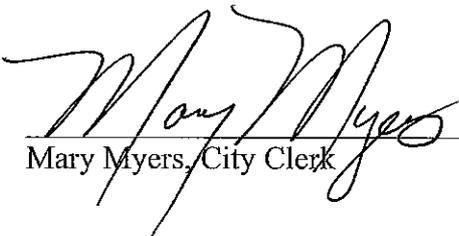
XI. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 8:25 p.m.



Joel G. Belloc, Mayor

ATTEST:



Mary Myers, City Clerk