

**TOWN OF KEARNY
REGULAR MEETING MINUTES**

**A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEARNY, ARIZONA,
AT THE KEARNY TOWN HALL LOCATED AT 912-C TILBURY DRIVE ON MONDAY, JULY
16, 2018, AT 7:30 P.M.**

COUNCILMEMBERS PRESENT

Mayor	Debra Sommers
Vice Mayor	Daniel Radcliffe
Councilmember	Rose Bradford
Councilmember	Rudy Flores
Councilmember	Nancy Hinojos
Councilmember	Samantha Misita
Councilmember	Sheila Stephenson

TOWN STAFF PRESENT

Town Manager	Anna Flores
Town Clerk	Cathy Woolery
Town Attorney	Steve Cooper

VISITORS PRESENT

Diana Herrick	Roger Stern
Gwen Dinwiddie	Ron Buckley
Tino Flores	Sam Hosler
Carol Hosler	Carol Lewis
Rose Slotter	

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Sommers called the meeting to order at 7:30 p.m. followed by the Pledge of Allegiance.

INVOCATION

Father George Kunnel of the Infant Jesus of Prague Catholic Church delivered the invocation.

ROLL CALL

Mayor Sommers requested Town Clerk, Cathy Woolery, to call the roll. Quorum was present.

APPROVAL OF MINUTES

Motion by Councilmember Stephenson, **second** by Vice Mayor Radcliffe to approve minutes from the Special Meetings, June 25, 2018. **Vote** - Mayor Sommers, Vice Mayor Radcliffe, Councilmember Bradford, Councilmember Flores, Councilmember Hinojos, Councilmember Misita, and Councilmember Stephenson all voted in favor. **MOTION PASSED.**

CALL TO THE PUBLIC

No persons addressed the Council.

PROPERTY TAX LEVY AND ADOPTION OF ORDINANCE NO. 18-206 OR ORDINANCE NO. 18-207

Town Manager Anna Flores explained that Ordinances No. 18-206 and No. 18-207 are presented to Council to adopt the tax levy with rate of \$2.2209 or \$2.3062. If the Council adopts the \$2.2209 tax rate then the primary tax for operations for the Town of Kearny for fiscal year 2018-19 will equal \$120,180. If they adopt the \$2.3062 tax rate then the primary tax for operations for the Town of Kearny for fiscal year 2018-19 will equal \$124,795. The ordinances direct the County of Pinal to levy the amount allowed by law. The ordinance is an administrative method of setting apart funds necessary for use and maintenance and does not require an extraordinary (3/4) vote to make it effective immediately. Councilmember Stephenson commented the amount most people will pay is not going to change. Town Manager Anna Flores explained if we keep the rate at \$2.2209 the Town will lose \$4615. If the rate is increased to \$2.3062 then the Town will collect \$476. On a \$100 assessed value on a \$100,000 home the owner would be paying \$231 in property taxes if the rate is \$2.3062 or \$10 more a year or \$.83 more per month. Vice Mayor Radcliffe said he understood according to the discussion at the budget hearing that with the rate of \$2.3062 that will keep the same amount of money coming in as we have coming in now due to recent valuation of the property. If left at \$2.2201 then the Town will get less. Councilmember Misita commented that if the valuation went up then it would be \$10 more a year and then if the valuation went down it would stay the same. Town Manager Anna Flores stated yes if the house valuation went up but most of them went down.

Motion by Councilmember Bradford, **second** by Councilmember Misita to approve Ordinance No. 18-207 with the tax rate of \$2.3062. **Vote** – Mayor Sommers, Vice Mayor Radcliffe, Councilmember Bradford, Councilmember Flores, Councilmember Hinojos, Councilmember Misita, and Councilmember Stephenson all voted in favor. **MOTION PASSED.**

PRESENTATION AND UPDATE OF THE PINAL REGIONAL TRANSPORTATION PLAN BY ANDY SMITH, GENERAL MANAGER, OF THE PINAL REGIONAL TRANSPORTATION AUTHORITY

Town Manager Anna Flores stated Andy Smith, General Manager of the Pinal Regional Transportation Authority, is here to present an update on the Pinal Regional Transportation Plan to the Mayor and the Council. Andy Smith summarized the Pinal Regional Transportation Plan. Back in November 2017 the half cent sales tax passed for specific transportation projects. The communities of Eloy, Superior, Mammoth, and Kearny would each receive \$300K each year for their own community transportation projects approved by their council. There is a lawsuit that is currently underway and they are hoping to have resolution within a week or so. The Pinal Regional Transportation Regional Authority falls under the Central Arizona Government. He explained the Mayor of Kearny sits on the Pinal Regional Transportation Authority Board in the Executive Committee. Also, the Regional Board is composed of a Citizens Transportation Advisory Committee which includes a citizen of Kearny and a Technical Transportation Advisory Committee which includes the Town Manager. Once the funding is approved they are working on how to get the communities to procure their funding whether it is quarterly or annually. The Board will have to approve that for the cities and towns and how the funding will be disbursed to the communities. The funds are for local road projects and they have created a form for requesting funds to have a paper trail for the project. Also, there are major improvement projects which are Project Charter projects, and they will be county or ADOT built. There is also a transit



component of RTA that has a TTAC subcommittee. This is funded by FTA 5310, FTA 5311, and FTA 5307. These services are CART & COMET, Park-and-Ride, and Dial-A-Ride. These providers will provide free rides to healthcare, dialysis, shopping, and other stuff. The funding is provided for existing services and not for new services as the purpose is to expand the existing ones. A new potential funding in the next six months will be the FTA 5305 which will help to fund ways of expanding the existing services. Councilmember Misita asked if Dial-A-Ride is the only one for Kearny area. Andy stated correct, and the 5310 program providers from Pinal County funding also will come to Kearny from the Florence loop. The Dial-a-Ride is for disabled persons. The seniors will need to call for a ride separately as they cannot combine types of groups on the same van. Councilmember Hinojos asked why the two groups cannot use the same van. Andy explained this is a rule of the Federal Transit Administration. Councilmember Bradford asked if the 5310 and 5311 are available to the Kearny area now. Andy stated yes. CAG has a mobility manager who will coordinate transportation for all 5310 programs for Pinal County, Gila County, CAG (Central Arizona Governments), and MAG (Maricopa Arizona Governments). He is coordinating the rides and distances for the programs and technology for better access for public and communications. Councilmember Bradford asked how someone in Kearny can get a ride to the doctor. Andy replied you would go through Central Arizona Governments and Andy Caine, Mobility Manager, can assist with that. Councilmember Bradford expressed the people in town do not have any idea this is available. Andy stated they work a lot with marketing in the senior centers, Chambers of Commerce, and hospitals. Councilmember Misita stated they need to get the information out there. Councilmember Bradford asked if there is a charge. Andy stated he doesn't think so. Councilmember Misita expressed Dial-a-Ride in the valley is about \$3. Councilmember Bradford asked for a way to get the word to the seniors and community. Andy stated he can work through Travis Ashbaugh to send someone here to do presentation to the Chamber or whatever organization we would want. Councilmember Hinojos stated she had met one of the drivers in the Mammoth area. Andy summarized that the lawsuit will be heard on Wednesday at 10 am. From there it will move to steps of how to fund, collection of the money, and building up savings for projects.

DISCUSSION AND AUTHORIZATION TO AUTHORIZE LEGAL COUNSEL AND TOWN MANAGER TO CREATE A MUNICIPAL PROPERTY CORPORATION FOR THE TOWN TO FINANCE PUBLIC WORKS PROJECTS

Town Manager Anna Flores stated that the articles of incorporation and bylaws are being presented to create a municipal property corporation for the purpose to organize the transaction of any and all lawful business pertaining to the USDA grant. Initial charter of business intended for conduct in the State of Arizona is for financing the acquisition, construction and equipment of certain facilities, but not limited to, domestic water, domestic water distribution and waste water collection and treatment, at the request of the governing body of the Town of Kearny, AZ. The municipal property corporation is a more cost-effective approach, to be able extend a payment term for more than 25 years, and avoid costs of financing by issuing bonds for the payment of the improvements. The corporation shall be authorized to repay the principal of and pay the interest accrued on indebtedness incurred by the grant. It is recommended to authorize legal counsel and the Town Manager to create a municipal property corporation for the Town to finance public works projects. Councilmember Misita asked why does the Town have to form a corporation instead of just doing it as a Town. Attorney Steve Cooper explained there are several ways to finance projects for a municipal government in Arizona, 1) Write a check, but the Town does not have the

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means to do the water and wastewater improvements as that is way beyond the budget and the Town's ability to pay for it 2) Bonds and several types of bonds – general obligation bond for a secondary property tax requiring the vote of the people or you could pledge the excise tax limited to 65% of the amount. If you bond there are costs such as having to hire a bond attorney, an issuance fee for underwriting, and financial institution fees. The municipal property corporation is a corporation which a lot of cities and towns in Arizona use to hold title to real property, public works, and public improvements as collateral for the loan. Generally, bond and underwriters like to limit the loan to 25 years, but with various USDA programs they have payment programs up to about 35 years and also borrow at about 3.5%. Lending institutions interest rate will be higher. Councilmember Misita asked if that is the only way a town can legally do it is by forming this. Steve explained to avoid the cost of having to go through the bonding process this is a cheaper way to do it and it saves money. It also gives flexibility to pay off early if choose, whereas with bonds there is a penalty for early payoff. He stated by approving this tonight, you are not agreeing to borrow any money. You are not agreeing to have the finance vehicle in place of how you are going to do it. This is just one option – do we bond it, do we pay cash, or do we do a municipal property corporation and spread the cost over 35 years. Councilmember Bradford asked the cost of forming the corporation. Steve explained there is a fee for forming the articles of incorporation paid to the Arizona Corporation Commission, a publication fee of about \$300 to \$400, and annual fee for filing annual non-profit report of approximately \$10 per year. As far as the cost of drafting the articles that was included in the retainer fee as part of service provided to the Town. Councilmember Misita asked if this just gives the option if they want to go this way for financing. Steve said correct and that they can decide not to go forward in doing it. Also, he made the municipal property corporation agreement generic enough to do basically major public works, water, and buildings. Councilmember Misita asked if there is turnover on the council then what happens. Steve explained there is an annual meeting of the municipal property corporation with councilmembers as members and if a councilmember leaves office then there are usually officers that are appointed, but basically the town would have seven directors which would be the seven councilmembers.

Motion by Councilmember Stephenson, **second** by Councilmember Bradford to authorize legal counsel and the Town Manager to create a Municipal Property Corporation for the Town to finance public works projects. **Vote** - Mayor Sommers, Vice Mayor Radcliffe, Councilmember Bradford, Councilmember Flores, Councilmember Hinojos, Councilmember Misita, and Councilmember Stephenson all voted in favor. **MOTION PASSED.**

INFORMATIONAL ITEMS

Town Manager Anna Flores announced Lee Mitchell painted the front of the swimming pool building, and along with Dennis and Annie Sartor donated the beautiful plants in front of the swimming pool all at no cost. The front of the swimming pool and the front of the Kearny Library Activity Center looks amazing as well because Lee did the painting and some of the flowers were donated by the Sartors. She expressed a huge thank you to these wonderful residents as the Town's buildings really pop. Also, Eagle Scout Braden Chester along with Lonnie Hess, Scout Leader, have made it possible for the flags to be flown at night at Rail & Copper Park. They repaired the lights for the ship's mass and also repaired all of the lights along the walkways. This has made a beautiful difference at Rail & Copper Park. Public Works is working down at the airport and knocking down the brush on the sides of the runway. Since the Town has received a little rain the brush is really taking off, no pun intended. Town Manager Anna Flores also

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explained Mayor Sommers and she have been attending some of the tourism meetings for the past year and a half, however, now the committee is looking for one representative to represent the Town of Kearny, and she has asked Anna to represent Kearny for the Tourism Branding Committee. Anna will keep us updated. Councilmember Bradford said there is another project in town done by the Eagle Scouts which was to redo the announcer stand at the football field. The Hand-Me-Up shop donated to complete that project. Also, the redoing of the clothing racks for the ARC was another project completed by the Eagle Scouts. Councilmember Bradford commented the front of the pool looks really great. Vice Mayor Radcliffe asked if they got the new air conditioning for the activity center. Town Manager Anna Flores said yes. It has been completed with the help of the Friends of the Library as they paid for the air conditioning, and they will also help with the electricity bill. Vice Mayor Radcliffe said he believed the air conditioning was purchased at a discount. Town Manager Anna Flores stated yes that MJB did give us a discount and he was the lowest bidder.

REPORTS

Mayor Sommers asked if there was any discussion on the reports. No discussion.


Motion by Councilmember Bradford, **second** by Councilmember Misita to accept the reports. **Vote** – Mayor Sommers, Vice Mayor Radcliffe. Councilmember Bradford, Councilmember Flores, Councilmember Hinojos, Councilmember Misita, and Councilmember Stephenson all voted in favor. **MOTION PASSED.**

ADJOURNMENT

Motion by Vice Mayor Radcliffe, **second** by Councilmember Hinojos to adjourn. **Vote** – All members voted in favor. **MOTION PASSED.** Meeting was adjourned at 8:12 p.m.



Debra Sommers, Mayor



Anna Flores, Town Manager

ATTEST:



Cathy Woolery, Town Clerk