

# CONSENT AGENDA

Agenda Item: IX-A

Date: 12/14/09

**MINUTES OF THE REGULAR MEETING OF  
THE ELOY CITY COUNCIL  
CITY OF ELOY  
628 NORTH MAIN STREET  
ELOY, ARIZONA 85131  
NOVEMBER 23, 2009  
7:00 P.M.**

**Staff Present:** Joseph Blanton-City Manager/Community Development Director; Stephen Cooper-City Attorney; Mary Myers-City Clerk; Bill Pitman-Police Chief; Paul Anchondo-Parks and Recreation Director; John Mitchell-City Engineer; Brian Wright-Finance Director; Rus Ketcham-Librarian

**I. CALL TO ORDER**

Mayor Jackson called the meeting to order at approximately 7:02 p.m.

**II. INVOCATION**

Invocation was given by Pastor Felix Bermejo.

**III. PLEDGE OF ALLEGIANCE**

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

**IV. ROLL CALL**

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

**Council Members Absent:** Council Member Jesse Rosel (excused)

**V. COMMUNICATIONS**

Mr. Blanton presented the following communications to Council:

- Community clean up was held a couple of weeks ago on the east side of town. The city picked up approximately 20 tons of trash. Next clean up will be next month in Toltec;

- Martin O’Haus, grants coordinator, will be facilitating a public meeting December 1<sup>st</sup> at 6:00 p.m., for CDBG SSP projects, in the Council Chambers. The meeting is not connected to a Council meeting. The second public meeting will be held December 21<sup>st</sup>, at 6:30 p.m., during a special Council meeting to present what was discussed on December 1<sup>st</sup> and pinpoint a specific project for Mr. O’Haus to submit;
  - There will also be a Housing Authority Board of Commissioners meeting on December 21<sup>st</sup>, at 6:00 p.m. The purpose of the meeting is to award a contract for auditing services;
  - On December 10<sup>th</sup>, at 2:30 p.m., at the Casa Grande Recreation Center, a round table discussion on the Silver Bullet project will be held. Mr. Blanton said Dr. Gaither who passed away September 11<sup>th</sup> spear headed the project and several of his friends have decided to continue with the project. They would like to meet with all of the affected municipalities along the proposed route to see if there is any merit in moving forward on the project; and
  - The Central Arizona Regional Economic Development Foundation’s (CAREDF) next meeting will be December 10<sup>th</sup>. Mr. Blanton reminded Council the organization has a “Mayor’s Invite” program that allow mayors to invite a council member to the monthly meetings;

Mayor Jackson told Council that if anyone is interested in attending the December 10<sup>th</sup> meeting, to please let him know.

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

Gail Cooper, EDGE executive director, gave a brief overview of the organization’s annual report.

#### **VII. EXECUTIVE SESSION**

Not 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>
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<b>IX. A.</b>	Approval of Minutes: 11/9/09 (regular)
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- B. Committee Reports: None
- C. Request authorization to cancel the regular City Council meeting scheduled December 28, 2009

XI. Staff Reports: Check list payment of claims

IX. **BUSINESS**

- D. **ADOPTION OF ORDINANCE NO.: 09-772, APPROVING A PRE-ANNEXATION AND DEVELOPMENT AGREEMENT BY AND BETWEEN WALTON AZ PICACHO VIEW LP 1, WALTON AZ PICACHO VIEW LIMITED PARTNERSHIP 2, WALTON AZ PICACHO VIEW LIMITED PARTNERSHIP 3, WALTON AZ PINAL COUNTY NO. 2 LIMITED PARTNERSHIP, WALTON WEST PALMILLA LIMITED PARTNERSHIP, WALTON INTERNATIONAL GROUP (USA), INC. , AND THE CITY OF ELOY, ARIZONA, REGARDING DEVELOPMENT ON APPROXIMATELY 1,223 ACRES, GENERALLY KNOWN AS PALMILLA.**

Motion by Vice Mayor Acuña, seconded by Council Member Tidwell, to read Ordinance No. 09-772 by title only, passed unanimously.

*Cover sheet discussion: The Pre-Annexation and Development Agreement, if approved, will facilitate the annexation, proper municipal zoning, and development of approximately 1,223 acres by establishing: (I) conditions, terms, restrictions and requirements for the annexation of the unincorporated portions of the property to the City; (ii) the permitted uses for the property; (iii) the density and intensity of such uses; (iv) the phasing over time of construction and development of the Property; (v) conditions and requirements for the design, construction and installation of the infrastructure; and (vi) the City's assurances to the Owner in order to develop the property.*

*Staff Findings: Pursuant to the provisions of Arizona Revised Statutes Annotated §§ 9-500.05, et seq., Owner and City are authorized to enter into this agreement.*

*Fiscal Impact: The future development of this property will generate a significant amount of construction sales tax revenue for the City over the next several decades as the project builds out.*

Mr. Blanton briefly reviewed the pre-annexation and development agreement with Council.

Carol Oberholtzer, from Rose Law Group, added that Walton International is very excited to have this property annexed into the city limits.

Council Member Belloc asked Mr. Cooper if this is a standard agreement.

Mr. Cooper explained yes, with the exception of a contribution acknowledgment to the McClellan Wash study for issues of flood control and development fees which are vested for five years.

Motion by Vice Mayor Acuña, seconded by Council Member Tidwell, to adopt Ordinance No. 09-772, passed unanimously.

- E. ADOPTION OF ORDINANCE NO.: 09-773, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF ELOY, PINAL COUNTY, ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES AND AMENDMENTS THERETO, BY ANNEXING THERETO CERTAIN TERRITORY CONTIGUOUS TO THE EXISTING CITY LIMITS OF THE CITY OF ELOY, ARIZONA, AND FURTHER EXTENDING THE JURISDICTIONAL BOUNDARIES OF THE ELOY FIRE DISTRICT TO CORRESPOND WITH THE PROPERTY HEREINAFTER ANNEXED WITHIN THE BOUNDARIES OF THE CITY OF ELOY**

Motion by Council Member Belloc, seconded by Council Member Tidwell, to read Ordinance No. 09-773 by title only, passed unanimously.

**Cover sheet discussion:** *The annexation, if approved, will expand the corporate boundaries of the City by 1,055.16 acres, more or less, and as a result, will facilitate the growth of the Palmilla project within the City. As this is a key piece of property for the City do to its proximity to downtown and existing residential and commercial development, bringing this property into the City is of substantial economic importance to the City. There is existing infrastructure near the property and accordingly, will be available to serve the property within the next 10 years.*

**Staff Findings:** *Pursuant to the provisions of Arizona Revised Statutes Annotated §§ 9-471, et seq., the City is authorized to approve this annexation.*

**Fiscal Impact:** *The annexation of the property will generate property tax revenue in the immediate term, and construction and sales tax revenue as the newly annexed property develops.*

Motion by Vice Mayor Acuña, seconded by Council Member Tidwell, to adopt

Ordinance No. 09-773, passed unanimously.

**F. AUTHORIZATION TO ISSUE RFP FOR ANNUAL LIFT STATION PUMP & MOTOR MAINTENANCE, PUMP & MOTOR REPAIR, AND PUMP & MOTOR REPLACEMENT SERVICES**

**Cover sheet discussion:** *Public Works currently has 9 Lift Stations (Curiel, Tryon, Flying J, Toltec, Sunland Gin, Loves, Tohono I, Tohono II, Waste Wt. Plant), with a total of 23 pumps and 23 motors, ranging in sizes from 3 HP to 100 HP. Only Tryon and Flying J have interchangeable pumps/motors. Over time, it will be necessary to have a replacement pump/motor available for each lift station in order to respond to an emergency or routine maintenance.*

*The review of the RFP will include, but not be limited to; availability of parts for purchase, routine service, repair of existing pumps / motor, and the replacement of existing pumps and motors with new or remanufactured products.*

*The lowest responsive and responsible bidder will be awarded a three year contract to supply parts, perform maintenance / repair, rebuild or replace new pumps and/or motors on an as needed basis.*

**Fiscal Impact:** *\$10,000.00 currently exists in the FY 2009/2010 budget; future appropriations will be identified in subsequent fiscal year budgets.*

Mr. Blanton conveyed the public works department is looking for a company to provide repair, replacement, and maintenance services for the various lift stations in the city. The contract would be for three years and services used on an as needed basis.

Council Member Belloc wanted to know if there was anyone within the city or in the surrounding cities who could provide the service.

Mr. Mitchell explained that he is just starting the process and is not aware of any local companies that can do the work. Mr. Mitchell said he plans to structure the RFP so more than one company can bid on various components.

Council Member Belloc asked would the city be responsible for purchasing the parts or will the contractor be responsible.

Mr. Mitchell said the city will solicit cost for the parts and if needed, will go before Council for authorization.

Motion by Vice Mayor Acuña, seconded by Council Member Tidwell to authorize

the issuance of an RFP for annual lift station pump & motor maintenance pump & motor repair, and pump & motor replacement services, passed unanimously.

**G. APPROVE AGREEMENT WITH COE AND VAN LOO, LLC TO DEVELOP A SHORT TERM & LONG TERM SLUDGE HANDLING SOLUTION FOR THE WASTEWATER TREATMENT PLANT**

**Cover sheet discussion:** *On November 9, 2009, Council was informed of alleged violations at the City of Eloy wastewater treatment plant, and the SOQ solicitation of interested companies to assist in addressing these alleged violations. The solicitation had three components; Component 2 was to assist in the development of short range and long range sludge handling solutions. CVL was determined to be the most qualified to perform this work.*

*This first phase of the process includes development of solutions and does not include a design component. Once staff has been given approval from ADEQ for the solutions, then it is anticipated that an approval for design will be recommended to Council.*

**Fiscal Impact:** *\$891,925.00 is available in the FY 2009/2010 budget. \$113,000.00 has been allocated to Component 1.*

Mr. Blanton conveyed this is the second of three components that were identified at the last Council meeting. There are issues of concern at the wastewater treatment plant that were brought to the city's attention by ADEQ. This agreement will employ Coe and Van Loo to come up with solutions for the city to handle the sludge. Mr. Blanton stated payment would come from one time construction sales tax monies

Council Member Amerson asked will the sludge be taken from the plant to the landfill.

Mr. Mitchell stated that this might be an option. A determination on how to handle the sludge will not be addressed in this process. The most inexpensive option would be to treat the sludge to such a level that it can be used at the landfill as cover.

Mayor Jackson wanted to confirm with Mr. Mitchell that the process is to treat the sludge to where it can be biodegradable.

Mr. Mitchell said yes.

Mayor Jackson asked Mr. Mitchell if the city knows what it wants to do with the sludge, what will Coe & Van Loo do.

Mr. Mitchell said the firm will determine how to mine the sludge from the pond, treat it, and de-water it so it can be transported.

Mayor Jackson wanted to know if there are any companies in existence that can do this.

Mr. Mitchell explained there are two components to this. Coe & Van Loo will develop a plan that will explain how to handle the sludge for transport and submit it to ADEQ for approval. Staff will then bring before Council a request to contract with a company who will transport the sludge.

Mayor Jackson said the city is facing current and future budget constraints, which means staff has to be more conservative in utilizing consultant services.

Vice Mayor Acuña wanted to know why can't ADEQ provide the city with information on how to handle the sludge.

Mr. Mitchell said generally it works the other way. The city submits to ADEQ and they comment. Mr. Mitchell conveyed the city has a purchasing policy that will require the city to go out to bid because of the various steps that will be involved in processing the sludge. There will be an interim fix that will translate into a long term fix. However, what is done in the interim may be different than what is done in the long term. Mr. Mitchell reminded Council that the long term solution for the wastewater master plan is well over \$14,000,000. However, he is looking at getting this done at a fraction of the cost.

Vice Mayor Acuña asked will the city have to hire a consultant to test the soil if the sludge is used at the landfill.

Mr. Mitchell said no because ADEQ would regulate it. Mr. Mitchell said he has to get rid of the sludge pond because ADEQ does not like the way the city is currently handling its sludge process.

Motion by Vice Mayor Acuña, seconded by Council Member Amerson to approve an agreement with Coe and Van Loo, LLC, passed unanimously.

**H. CONSIDERATION BY THE MAYOR AND CITY COUNCIL TO TAKE IN THE HOUSING AUTHORITY OF THE CITY OF ELOY (HACE) AS A CITY DEPARTMENT**

**Cover sheet discussion:** *As a result of deficiencies identified in an audit conducted by HUD's Office of Inspector General, the Phoenix Office of Public Housing*

*recommended that the Housing Authority of the City of Eloy (HACE) move to a consortium or consolidation for its operations with another local public housing authority. The City of Eloy, with assistance from HUD staff, has had discussions with three other housing authorities (Pinal County, City of Tucson, and Maricopa County) without any success.*

***Staff Findings:*** *The Inspector General of the U.S. Department of Housing and Urban Development would support the idea of the City of Eloy taking over the Housing Authority of the City of Eloy.*

***Fiscal Impact:*** *TBD*

Mr. Blanton conveyed that he and Mayor Jackson met with Maricopa County Housing Authority (MCHA) representatives last week and was told the only way they (MCHA) would be interested in taking over the HACE would be on a permanent basis and assume control over all assets. Mr. Blanton said the HACE would be operated and owned by Maricopa County without any chance of the city getting it back. This is contrary to city discussions with the City of Tucson and Pinal County Housing authorities in that the city was looking for a short term takeover of approximately three to five years. Mr. Blanton said Eloy needs someone to step in to manage the agency, bring it up to compliance and then have Eloy take it back over. This would not be an option with Maricopa County. Mr. Blanton voiced that according to an email from Barbara Gallegos from HUD, their agency is very pro Maricopa County because it takes all of the issues off the table and gives them a sense of relief that things will be fixed. However, he is concerned about the political fallout in the community if the city decided to turn the HACE over to MCHA in perpetuity.

Mr. Blanton said he's been told by HUD that all but five housing authorities in the state are under a municipality. It is his understanding the programs are self funded through the federal government and therefore would not be a burden on the general fund if the city decides to absorb it. Mr. Blanton said the city would also have to hire someone who is well versed in the aspects of the public housing and Section 8 programs. If the city decides to take in the housing authority, Mr. Blanton told Council that if the city decides to take of the housing authority, it will not take away the status of trouble, per HUD. However, once the audit findings have been resolved that status will be removed.

Mayor Jackson conveyed that he spoke to Pinal County Manager, Terry Dolittle today about Pinal County taking over the HACE even though he had already talked to Adeline Allen and Lisa Garcia who manages the Pinal County Housing programs. Both expressed a lack of interest in the proposal which is why he took it another step and contacted Mr. Dolittle. Mayor Jackson said he knows the final decision lies with

the county manager and board of supervisors. Mayor Jackson said Mr. Doolittle assured him that he would speak to Ms. Allen and Ms. Garcia about possibly managing the HACE.

Mayor Jackson stated that MCHA wants to take permanent ownership of the housing authority and its assets, but according to Ms. Gallegos' email, no one would own the the housing authority or its assets because they are the property of the federal government.

Council Member Amerson wanted to know how many employees work for the housing authority.

Mayor Jackson said there are three office people and one maintenance person.

Vice Mayor Acuña conveyed that he has always been a little apprehensive about the city taking over the housing authority out of concern on how it would affect the city's budget. Although the authority is self sufficient and federally funded, he is still concerned about the financial aspects of it. And before he will consider taking the authority under the city's umbrella, he will need more information on how the agency function. He would also like to know its funding sources and how the funds have been expended over the last few years. Vice Mayor Acuña said whether the city takes over the housing authority or not, he would like Council to receive some type of training on the agency because of the issues Council has had to deal with.

Mr. Blanton said HUD will come to the city and provide training to Council on the roles and responsibilities of the housing commission.

Mayor Jackson pointed out if the city decides to take over the housing authority, it will still receive funding from the federal government.

Mayor Jackson said if Mr. Doolittle decides to meet with him and Mr. Blanton, his question to Mr. Doolittle would be, "Is the county willing to take total management of the HACE?" If not, "Would the county consider managing the HACE on a temporary basis and assist the city in transitioning the authority over to the city, if approved by HUD."

Vice Mayor Acuña said he would like the Council to remain as commissioners to the housing authority in order to prohibit things that went on in the past to continue. Vice Mayor Acuña said he is still a little confused as to why Maricopa County wants ownership of the properties. He thought the city owned the property, but has now been told the federal government does.

Mayor Jackson asked Council Member Saucedo who works for the Pinal County Housing Authority does the county own their housing units or does the federal government.

Council Member Saucedo said the federal government owns the housing units.

Vice Mayor Acuña expressed concerns about the federal government possibly reducing funding due to the economy and the city being on the hook for paying for improvements to the properties.

Mr. Blanton said the housing authority has \$80,000 in its budget from last year that has not been touched because the authority did not have the resources to go out for bids and fix up the units. The HACE also received \$113,000 in stimulus money this year. There are plans to redo kitchens and install a/c units with these monies.

Vice Mayor Acuña asked if this is money the housing authority receives every year.

Mr. Blanton said yes.

Council Member Belloc conveyed that he would like to see the housing authority managed locally. And if Pinal County Housing cannot take it, the Council may want to consider another agency such as CAHRA.

Mayor Jackson said he believes that in the end the city will probably have to absorb the housing authority as a department.

Ms. Sheila Tarango, finance supervisor for the Pinal County Housing Authority asked Mayor Jackson if she could give comment.

Ms. Tarango conveyed she wanted to clarify who owns the housing authority property. She said it is the city who owns the properties and not the government. She also said the properties should be listed as part of the city's assets. Ms. Tarango explained that Section 8 and public housing are both treated like grants. These programs purchase properties with grant monies which becomes the property of the city. The housing authority will show the properties as fixed assets. Ms. Tarango reiterated that the federal government does not own the property.

Mayor Jackson wanted to know since the properties are not owned by the government, does this make it easier for the government to pull its funding if the authority is out of compliance.

Ms. Tarango said the government does not stop or pull funding unless the housing

authority takes its units offline. Ms. Tarango said as a former housing authority commissioner and a resident of the community, she would hate to see the housing authority be managed by any entity other than Eloy.

Mayor Jackson conveyed that last Saturday he met with Allen Stephens, director for the USDA and Tammy Trevino, from Rural Development, is currently funding the rehabing of the Picacho Peak apartments. Mayor Jackson said he mentioned the possibility of the USDA funding the rehabing of the 50 public housing units. Mr. Stephens expressed concerns about the difficulty in funding the project if the property is HUD owned. However, if the city owns the units, Mr. Stephens said it would be a little easier for the city to apply for USDA money. However, Mayor Jackson cautioned that the city would have to repay the money.

Mr. Blanton said he will contact HUD and set up meetings with some of the cities to obtain additional information.

**X. INFORMATIONAL ITEMS**

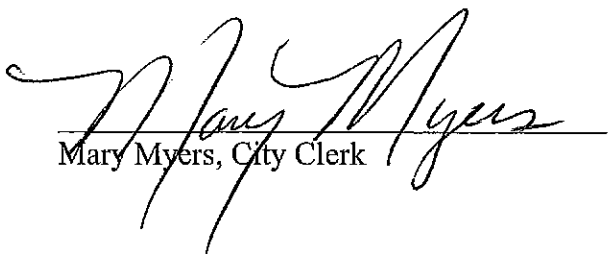
No discussion.

**XII. ADJOURNMENT**

There being no further business, Mayor Jackson adjourned the meeting at approximately 8:32 p.m.

  
Byron Jackson, Mayor

ATTEST:

  
Mary Myers, City Clerk