

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
MARCH 8, 2021
6:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Jillian Childress-Management Assistant; Christopher Vasquez-Police Chief; Jon Vlaming-Community Development Director; Brian Wright-Finance Director; Keith Brown-Public Works Director/City Engineer; Tammy Valadez Paz-Public Works Project Engineer

I. CALL TO ORDER

Mayor Micah Powell called the meeting to order at approximately 6:00 p.m.

II. ROLL CALL

Council Members Present: Councilmember George Reuter; Councilmember Sara Curtis; Vice Mayor Andrew Rodriguez; Mayor Micah Powell; Councilmember Dan Snyder; Councilmember Jose Garcia; Councilmember Sylvia Guanajuato Rodriguez
(arrived at approximately 6:13 p.m.)

Council Members Absent: None

III. INVOCATION

Ms. Linda Gayer gave the invocation.

IV. PLEDGE OF ALLEGIANCE

Councilmember Reuter led the Council and the public in the Pledge of Allegiance.

V. PUBLIC APPEARANCES

A. Scheduled

B. Unscheduled

J.W. Tidwell – 105 W. La Siesta Drive – Mr. Tidwell conveyed that several years ago, he suggested the city update its residential street lights to LEDs. He said for the last three years, the Council budgeted money for this project. Mr. Tidwell asked the Council to continue budgeting money for the conversion. He said some of the streets can get rather dark and the police cannot tell if there is any mischief going on.

Mr. Tidwell also asked the Council to consider budgeting money to slurry seal or reconstruct 5th Street. He said the Eloy Lions Club is located east of Main Street on 5th Street and is heavily traveled. Mr. Tidwell said the street is beyond chip seal or crack seal. Mr. Tidwell pointed out that the city is spending money on Sunland Gin Road so people who live in Arizona City can have a nice interchange, but they pay no property taxes in Eloy. He said people who drive on 5th Street live in Eloy and pay taxes to the city.

Mr. Tidwell asked the Council to please consider these requests during the budget process.

VI. REPORTS AND ANNOUNCEMENTS

A. Council Members' Announcements

1. Councilmember Reuter conveyed that he would like the city to consider declaring Main Street an "entertainment district." He said it would give the city more liberty to allow businesses and access to more grants for cultural events. Councilmember Reuter stated with all the improvements that have been made on Main Street recently, Main Street (north and south) should be named an entertainment district to draw potential investors. Councilmember Reuter said he would like this placed on the next Council agenda or a future agenda for further discussion.
2. Councilmember Curtis announced that today is "National Women's Day." She thanked all the women for being great examples in the community and thanked all the men who supports women.
3. Councilmember Snyder announced a community shred-a-thon event on March 27, 2021, at the Santa Cruz Valley Historic Museum. He said residents can bring documents and old medication that is no longer needed. Councilmember Snyder said more information about the event is posted on the city website and his Facebook page.

B. Mayor's Announcements

1. Mayor Powell provided the Council and public with the latest COVID-19 data:

Number of cases reported in Pinal County	46,917
Number of deaths reported in Pinal County	793
Number of cases reported in Eloy	2,994*
Number of deaths reported in Eloy	40
Number of tests taken in Pinal County	248,579
Number of Moderna vaccines administered in Pinal Co.	93,028

*includes 1,396 cases in correctional facilities

Mayor Powell conveyed that citizens in need of emergency rental assistance (landlord or renter) can log onto the Department of Economic Security website to apply for assistance. The program is to provide rental and utility assistance to those who have experienced or are facing a reduction in income due to the pandemic and are at risk of eviction. Mayor Powell said a link is available on the Pinal County website at www.pinalcountyz.gov or www.des.az.gov/erap to apply.

2. Mayor Powell conveyed that he and Councilmember Snyder had a teleconference call with Representative Tom O'Halleran last week. They talked to the Congressman about infrastructure, COVID-19, and future needs of the city. Mayor Powell said he would be speaking with Representative O'Halleran again in the near future to continue talks about the needs of Eloy.
3. Mayor Powell conveyed that the Cemetery Committee met last week and was appointed chairperson and Ms. Natasha Tidwell was appoint vice chairperson by the members.
4. Mayor Powell said city staff has been working diligently to bring vaccines to the city for residents. He announced that Sun Life Family Health is having a vaccine clinic at city hall on March 11th and 15th, from 9:00 a.m. – 4:00 p.m. Mayor Powell said individuals would need to call (520) 836-3446, select Option 1 to schedule an appointment for the vaccine. He said the Albertsons/Safeway pharmacy will also host a vaccine clinic at city hall on March 16th from 9:00 a.m. – 1:00 p.m. Mayor Powell said a link for this clinic would be provided to the public tomorrow on the city website.
5. Mayor Powell apologized to the Council, staff and the public for the four-hour work session held last Monday for two items. He said moving forward, items presented to Council would not exceed one hour per item. Mayor Powell said if more time is needed beyond an hour, it will take a consensus of the Council.

C. City Manager's Announcements

1. Public Works CIP Quarterly Report – Mr. Krauss said the report is included in the Council's packet for review.

Councilmember Snyder asked about the condition of Frontier Street that is currently being cracked sealed.

Mr. Brown conveyed that the crack sealing is a way to preserve and extend the life of the road. He said he does not have any information at this time about the condition of the road; however, it has had several overlays. Mr. Brown said the next step would be applying a fog seal over it and at some point, applying another micro seal or some other type of layer sometime in the future. Starting in April, Mr. Brown said the Highway Safety Improvement project would be installing rumble strips along the edges and center line, along with new striping. Mr. Brown said this would only improve the safety of the road. He pointed out that Frontier Street would need additional overlays moving forward in future years.

Councilmember Snyder said Frontier Street is a long stretch of road that receives a high amount of traffic, and it is going to be costly when the city decides to make improvements. He wants staff to make sure the city has the money to take on the project when the time comes.

2. Mr. Krauss conveyed that there is a list of proposed streets that requires attention next fiscal year for the Infrastructure Committee to discuss and make recommendations. Mr. Krauss said he would contact the members to schedule a meeting.

VII. CONSENT AGENDA

Councilmember Reuter requested item B removed from the Consent Agenda.

- A. Approval of Minutes: 3/22/2021 (regular)
- B. ~~Approval of a contract with Rural Electric in the amount of \$209,442.75 to rehabilitate the Airport Runway Lighting at the Eloy Municipal Airport. (removed for discussion)~~
- C. Approval of the Partial Plat Abandonment of Midway City Subdivision as recorded in Book 14 of Maps, Page 26 of the Pinal County Records Assessor Parcel Numbers 403-24 305 through 403-24-360, inclusive of La Brea Street, Bosque Circle, Bosque Drive South and Bosque Drive North, which is located in the South Half of Section 28, Township 7 South, Range 7 East, of the Gila and Salt River Base and Meridian, City of Eloy, Pinal County, Arizona, Case No.: FPA2020-020 .

Motion by Councilmember Garcia, seconded by Councilmember Snyder to remove item B from the Consent Agenda and approve the remaining Consent Agenda items as presented, passed unanimously by roll call vote.

B. APPROVAL OF A CONTRACT WITH RURAL ELECTRIC IN THE AMOUNT OF \$209,442.75 TO REHABILITATE THE AIRPORT RUNWAY LIGHTING AT THE ELOY MUNICIPAL AIRPORT.

Staff Cover Sheet Report: *Council approve a contract with Rural Electric in the amount of \$209,442.75 to rehabilitate the Airport Runway Lighting at the Eloy Municipal Airport.*

The Eloy Airport runway lighting system has deteriorated with age and is in need of regular repairs. The City has received a grant in the amount of \$405,000 from ADOT to rehabilitate the runway lighting system. ADOT requires the City to provide a 10% match of \$45,000, for a project total amount of \$450,000.

This project is to perform the improvements necessary to rehabilitate the runway lighting system which includes replacing runway edge light fixtures, airfield lighting cables, and isolated conduit replacement. The project also includes installing new voltage driven Runway End Identifier Lights (REILs) as well as a new constant current regulator in the existing airfield lighting vault.

The City advertised and received 5 sealed bids for construction on February 9th, 2021. Rural Electric is the lowest qualified bid for the Airport Runway Lighting Rehabilitation.

With Council approval of this contract, the construction is scheduled to begin in May 2021 and to be completed in June of 2021.

Staff recommends approval of the contract with Rural Electric for this project.

FISCAL IMPACT:

Funding for the \$333,511 Construction is as follows:

ADOT Share: \$188,498.47

City Share: \$20,944.28

The City's total share of the project costs of \$20,944.28 is funded in GL account #33-489-9879.

Councilmember Reuter said he is aware that the pilot activator landing lights had some problems, and wanted to know if replacement of the lights are included. He also mentioned a problem with the beacon. He said Skydive Arizona will repair the beacon from time to time. Councilmember Reuter said he wants to make sure that these items are fixed or replaced.

Ms. Valadez Paz conveyed that both items are included in the project. She said the project would be a complete rehab of the lighting. Ms. Valadez Paz assured the Council that everything would be fixed and taken care of.

Motion by Councilmember Reuter, seconded by Councilmember Garcia to approve a contract with Rural Electric in the amount of \$209,442.75 to rehabilitate the airport runway lighting at the Eloy Municipal Airport, passed unanimously by roll call vote.

VIII. BUSINESS

- A. ADOPTION OF RESOLUTION NO. 21-1501 AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT, A TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AND AN OBLIGATION PURCHASE AGREEMENT; APPROVING THE SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$6,000,000 AGGREGATE PRINCIPAL AMOUNT OF EXCISE TAX AND STATE SHARED REVENUE AND ~~REVENUE REFUNDING OBLIGATIONS~~, SERIES 2021; AND ADOPTING UPDATED CONTINUING DISCLOSURE PROCEDURES.**

Staff Cover Sheet Report: *Council adopt Resolution No. 21-1501 authorizing the execution and delivery of a purchase agreement, a trust agreement, a continuing disclosure undertaking, and an obligation purchase agreement approving the sale, execution and delivery of not to exceed \$6,000,000 aggregate principal amount of excise tax and state shared revenue and, Series 2021, evidencing a proportionate interest of the owners thereof in such purchase agreement; approving an official statement; delegating the determination of certain terms of such obligations and matters related thereto to the City Manager and Finance Director of the City; adopting updated continuing disclosure compliance procedures in connection with issuance of obligations of the City; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution.*

On February 22, 2021, Nick Dodd, Managing Director with Piper Sandler & Co., made a presentation to the Mayor and Council on the issuance of a 2021 Excise Tax and State Shared Revenue Obligations. The Obligations would finance the construction of the Police Facility capturing all expenditures 60 days prior to October 12, 2020 when Council adopted a Reimbursement Resolution for this project.

The terms of the Obligations will be a 20-year bond with an estimated interest rate of approximately 2.50%. The final maturity would come due July 1, 2041. The annual debt payment will be approximately \$332,000 until maturity. In April 2021, pricing of the bonds will occur thus locking in the final interest rate. Interest payments will be paid on July 1st and January 1st each year while principal payments will be paid on July 1st each year. The payment of these Obligations will be pledged from the City's excise taxes and state shared revenues. Staff is comfortable with the rates and terms of the covenants.

To secure the financing, staff reached out to the City's investment banker, Piper Sandler & Co., special counsel Sherman & Howard L.L.C. and trustee/ paying agent U.S. Bank National Association. These firms have been working diligently in preparing transaction documents, resolutions, agreements and contracts for the Obligations. The projected costs for the delivery of the bonds are expected to not exceed \$285,000. These fees will be paid for from proceeds of the Obligations.

<u>Delivery Date Expenses</u>	<u>Expected Cost</u>
<i>Cost of Issuance</i>	<i>\$160,000</i>
<i>Underwriter's Fee</i>	<i>\$75,000</i>
<i>Bond Insurance Fee at 75 bps</i>	<i>\$50,000</i>
<i>Total Cost of Issuance</i>	<i>\$285,000</i>

The underwriter's fee is paid to Piper Sandler & Co. and that is based upon a percentage of the transaction size. The bond insurance is a fee paid to a third-party insurance company like Build America Mutual or Assured Guaranty. The insurance policy guarantees the payment of the debt in the event that the City does not pay. Bond insurance will raise the rating on the bonds. For example, if a bond is rated an "A", then with bond insurance, the rating would most likely be an "AA". Thus, bond insurance will enable the City to lower the overall debt service cost of the transaction and the interest rate on the Obligations. Bond insurance makes economic sense once there is a rating from S&P or Moody's on the Obligations. Finally, the other costs of issuance shown are the following items: Special Counsel (Sherman & Howard L.L.C.), Underwriter's Counsel (Squire Patton Boggs (US) LLP), the rating agency (S&P Global Ratings), Trustee (US. Bank National Association), and Official Statement preparation, and printing. All fees are contingent upon the transaction successfully closing and if for some reason the transaction never closes then no one will get paid.

An analysis has been conducted by staff and Piper Sandler & Co. on issuing a bond and using City cash reserve balances to pay-down Public Safety Personnel Retirement System (PSPRS) unfunded liability. By the issuance of the Obligations and applying the cash used to fund the new Police Facility's construction to pay down the unfunded liability, the City will reduce the unfunded liability creating an operational savings. This operational savings, from paying down the unfunded liability for PSPRS, will be used to pay for the new 2021 Obligation.

Staff is confident that by paying down the PSPRS unfunded liability and reducing the employer contribution rate that the saving incurred will be adequate to cover the annual debt payment for the proposed series 2021 obligations.

The following documents have been placed on file with the City Clerk: (1) the Second Purchase Agreement; (2) the Second Trust Agreement; (3) the Obligation Purchase Agreement; (4) the Continuing Disclosure Undertaking, (5) the Continuing Disclosure Compliance Procedures; and (6) the Preliminary Official Statement (POS). Nick Dodd, Piper Sandler & Co., and Zach Sakas, Sherman & Howard L.L.C., will be in attendance to address any questions on the Obligations issuance.

FISCAL IMPACT: *The fiscal impact during FY 2021-22 will be the annual debt payment of approximately \$332,000. The cost of issuance will be paid out of proceeds of the Obligations and that cost would be approximately \$285,000*

Mr. Wright pointed out a minor correction in the text in the subject box on the cover sheet and agenda. He said the language, “*revenue refunding obligations*” is not part of the subject and should be omitted. Mr. Wright assured the Council that the wording is not included in the resolution or any of its documents.

Mr. Wright briefly reviewed the provisions of the resolution and the process for issuance of 2021 Excise Tax and State Shared Revenue Obligations bonds. He stated that Nick Dodd from Piper Sandler & Co. and bond counsel, Mr. Zachary Sakas from Sherman & Howard is present to answer questions from the Council.

There being no questions or comments from the Council or the public, Mayor Powell called for a motion to read the resolution by title only.

Motion by Councilmember Garcia, seconded by Councilmember Reuter to read Resolution No. 21-1501 by title only, passed unanimously.

The city clerk read the resolution title into the record.

There being no questions or comments from the Council, Mayor Powell called for a motion.

Motion by Councilmember Snyder, seconded by Councilmember Curtis to adopt Resolution No. 21-1501, passed unanimously by roll call vote.

IX. EXECUTIVE SESSION

- A. Performance evaluation including discussion and/or negotiation of salary and/or an employment contract of a public officer - City Magistrate, including legal advice (if

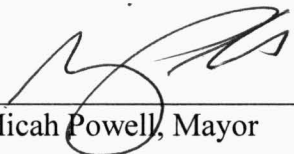
requested by City Council) with City Attorney and possible contract negotiations, pursuant to A.R.S. §38-431.03 (A)(1), (3) and (4).

- B. Possible executive session for discussion/consultation for legal advice with the City Attorney and/or City Staff concerning any of the agenda items, pursuant to A.R.S. §38-431.03 (A)(3) and (4).

Mayor Powell announced that item A is postponed to March 22.

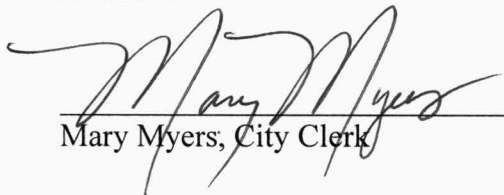
X. ADJOURNMENT

There being no further business, Mayor Powell adjourned the meeting at approximately 6:33 p.m.



Micah Powell, Mayor

ATTEST:



Mary Myers, City Clerk