

**MINUTES OF THE REGULAR MEETING OF  
THE ELOY CITY COUNCIL  
CITY OF ELOY  
595 NORTH C STREET  
NOVEMBER 27, 2023  
6:00 P.M.**

**Staff Present:** David Malewitz-City Manager, Mackenzie Letcher-Assistant City Manager, Stephen R. Cooper-City Attorney, Mary Myers-City Clerk, Byron Gwaltney-Acting Police Chief, Brian Jerome-Police Captain, Sylvia Payne-HR Director; Brian Wright-Finance Director, Paul Anchondo-Community Services Director, Matt Rencher-Public Works Director/City Engineer, Jeff Fairman-Economic Development Specialist

**I. CALL TO ORDER**

Mayor Micah Powell called the meeting to order at approximately 6:08 p.m.

**II. ROLL CALL**

Council Members Present: Mayor Micah Powell, Vice Mayor Sylvia Guanajuato Rodriguez, Councilmember Andy Sutton, \*Councilmember Sara Curtis, Councilmember Dan Snyder, Councilmember Jose Garcia, Councilmember Michelle McKinley-Tarango  
\*Participated via telephone conference

Council Members Absent: None

**III. INVOCATION**

Mayor Powell asked for a moment of silence.

**IV. PLEDGE OF ALLEGIANCE**

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

**V. PUBLIC APPEARANCES**

**A. Scheduled – None**

**B. Unscheduled - None**

**VI. REPORTS AND ANNOUNCEMENTS**

**A. Council Member Announcements**

1. Councilmember Sutton conveyed that he, along with Councilmember Garcia and Vice Mayor G. Rodriguez attended the annual NLC conference last week in Atlanta, Georgia, and gained a wealth of information. Councilmember Sutton said 60% of the trip was covered by the NLC, which made it affordable for them to attend.

Councilmember Garcia stated the conference covered an array of topics such as, gun safety, homelessness, and small city roundtable discussions.

Vice Mayor G. Rodriguez said she enjoyed the mobile workshops which gave participants a difference perspective to learning in a different media.

Councilmember Snyder asked those who attended the conference what they plan to do personally as a result of attending the conference.

Vice Mayor G. Rodriguez conveyed that a PowerPoint presentation about the conference was forwarded to Mayor Powell and Mr. Malewitz for review before presenting.

Mayor Powell said Council would have the opportunity to ask questions with it is presented.

2. Councilmember Snyder said he, Mr. Malewitz and Mr. Letcher attended the Pinal Partnership breakfast last Friday. Mr. Malewitz was one of several city managers who sat on the panel to discuss what was going on in their respective cities. He applauded Mr. Malewitz for doing a great job promoting the city.

**B. Mayor Announcements**

Mayor Powell had no communications.

**C. City Manager Announcements**

Mr. Malewitz conveyed the following announcements:

- The annual Christmas tree lighting and electric light parade will be held December 9<sup>th</sup>, from 4:00 p.m. to 9:00 p.m., at Main Street Park. The tree will be lit at 6:45 p.m., followed by the parade. He said Council will have a float in the parade.

- All of the solar LED stop signs have come in. The lighted signs were installed today at Battaglia and Eleven Mile Corner Road. He noted that solar stop signs were also installed at Battaglia and Frontier.
- The Pinal Hispanic Council will be sponsoring the annual Wreaths Across America ceremony at the Eloy Memorial Park on December 16<sup>th</sup>, at 10:00 a.m. The public is invited to attend.
- The Employee Appreciation luncheon will be held on Thursday, December 7<sup>th</sup>, at Robson Ranch. City offices will close at 12:00 p.m. for the rest of the business day so employees can attend and enjoy the event. City offices will reopen at 8:00 a.m. the following day.
- The Falcone Brothers are making progress on the pedestrian hybrid beacon at the corner of Main and Frontier Street. A couple of change orders were submitted that he and Mr. Rencher reviewed and approved. He said change orders are common; as with any construction project there are unforeseen conditions that lie underneath the ground. Mr. Rencher is working with the contractor to ensure change orders stay within the budget and costs are kept down. Mr. Malewitz anticipates the project will be completed within the next two months.

Councilmember Snyder said there have been questions from the public about the lighting on the water tower. He asked staff to explain what the issue is to the public.

Mr. Letcher conveyed that the current location of an APS pole makes it very difficult to make repairs on the water tower when needed because the power has to be shut off whenever work has to be performed on the lights. He said a work order was started with APS this week to move the pole, which will take about four months. Once that has been accomplished, repair of the lights on the tower will begin. He said because the lights are a synchronized lighting system, Holiday Lighting Company (HLC) will repair the lights. Mr. Letcher said moving the pole will allow the city to work on the tower more effectively when needed.

## **VII. CONSENT AGENDA**

- A. Approval of Minutes: 11/13/2023 (regular)
- B. Acceptance of the Homeland Security Grant Program Award, grant # 230303-01, from the Arizona Department of Homeland Security in the amount of \$58,160.00, for the purchase of five (5) P25 digital radios in support of the Eloy Police Department's Communications system on the Pinal Regional Communications Consortium (PRCC).
- C. ~~Discussion and possible action regarding the disbursement of a one-time incentive payment that was part of the Final Budget for Fiscal Year 2023-2024 and the adoption of Resolution No. 23-1559 dated June 29, 2023, approving the Final Budget~~

~~for the Fiscal Year 2023 – 2024 in the amount of \$58,488,315 which addressed employee compensation. (Removed for discussion/action)~~

- ~~D. Adoption of Ordinance No. 23-953, amending Ordinance No. 21-908; Chapter 2, Article IV of the Eloy City Code regarding the purpose, membership, and terms of commissions, boards and bureaus serving the City; providing for separability and establishing an effective date. (Removed for discussion/action)~~

Councilmember Snyder requested items C and D removed for discussion.

Mayor Powell called for a motion.

Motion by Councilmember Garcia, seconded by Councilmember Tarango, to remove agenda items VII-C and D from the Consent Agenda for discussion and possible action, and approve the remaining Consent Agenda items as presented, passed unanimously by roll call vote (7-0).

**C. DISCUSSION AND POSSIBLE ACTION REGARDING THE DISBURSEMENT OF A ONE-TIME INCENTIVE PAYMENT THAT WAS PART OF THE FINAL BUDGET FOR FISCAL YEAR 2023-2024 AND THE ADOPTION OF RESOLUTION NO. 23-1559 DATED JUNE 29, 2023, APPROVING THE FINAL BUDGET FOR THE FISCAL YEAR 2023 - 2024 IN THE AMOUNT OF \$58,488,315 WHICH ADDRESSED EMPLOYEE COMPENSATION.**

**Staff Cover Sheet Report:** *City staff recommends that the City Council approve the disbursement of the one-time incentive payment as adopted in the FY2023-2024 budget as a one-time expenditure in the form of an incentive check to be distributed to all current full-time, part-time, council-appointed employees and city contractual employee as of December 1, 2023.*

*On June 29, 2023, the City Council, Adoption of Resolution No. 23-1559, adopted the Final Budget for the Fiscal Year 2023 - 2024 for \$58,488,315, which addressed employee compensation. Specifically, the salary and benefits plan budgeted to distribute a one-time incentive payment to all full-time, part-time, city-appointed positions and city contractual employees. The estimate for this one-time incentive in the budget was \$117,000, including benefits.*

*The following information below represents how the one-time incentive payout would occur:*

- *\$117,000 = Total amount available for disbursement*
- *106 = Full-Time Employees and 4 = Council Appointed Positions and will receive \$725, while 7 = Part-Time Employees and 1 = City contracted employee will receive half of the allocated gross disbursement,*
- *\$725 = gross amount of bonus check*

- *\$145 = additional City funds to pay for an estimated 20% of the City's portion of FICA & retirement*
- ***\$870 = total amount of incentive pay and benefits paid***
- *\$100,000 = Estimated total amount of City funds for one-time incentive checks for employees*  
***\$525\* = Estimated employee net bonus check amount***
- *\*The net check amount reflects deductions due to an employee's portion of taxes and withholding fees.*

*If the City Council approves the recommended one-time incentive payment, the Finance Department is prepared to have paper checks ready for employee distribution on Thursday, December 7th.*

***FISCAL IMPACT:*** *The fiscal impact of the proposed one-time incentive is valued at an estimated \$117,000 for current full-time, and part-time employees, council-appointed employees, and city contractual employees. The Finance Director has confirmed funds are available for disbursement upon council approval.*

Councilmember Snyder wanted to know whether this was a discussion item or a proposal for action.

Councilmember Curtis asked staff to provide an overview of why this is being proposed as well.

Mr. Malewitz conveyed that the item was originally placed under "Business" on the agenda, however, it was moved to "Consent." This was done because this is the second year that Council has done this for employees. He said the language on the agenda was not changed to reflect this. He went on to explained that this started last year when Council and staff was looking at the cost-of-living adjustment (COLA) for employees. Mr. Malewitz said the budget allowed for a 4%, however there was enough to budget for 5%. So, as a way to show appreciation and good faith to the employees, Council approved allocating the extra 1% toward a \$500 bonus check to employees. Mr. Malewitz said doing this is a way for Council to show their appreciation to employees.

Councilmember Snyder said he was surprised to see appointed positions on the list to receive \$500. He wanted to know what the positions are and are the positions on contracts. He also asked about contract, part time employees and the cut-off date for employees to be eligible to receive the money.

Mr. Malewitz explained that appointed positions would include him, the city clerk, city magistrate and city attorney. He pointed out that appointed positions were not included in the coac last year, and staff had to come back to Council to request approval. The city has two contract people (Jeff Fairman and Jon Vlaming), who

were former employees of the city and he determined they should also be eligible. Mr. Malewitz said contract employees were excluded last year.

Councilmember Snyder said in the past, the cost of living was factored into the salaries of appointed positions during evaluations. He said bonuses are being paid along the way that have not been included in the past. Councilmember Snyder said this is changing the precedence of what Council has done in the past for appointed positions. He said if this is something the Council plan to do in the future, Council should not consider including bonuses when discussing salaries for appointed personnel. This way there is no misunderstanding of what the individual is or is not entitled to.

Mr. Malewitz agreed with Councilmember Snyder. He said bonuses can be looked at during salary negotiations for appointed employees.

Mr. Cooper conveyed that he would be declining the \$500 bonus. He said he has not received a bonus from the city since serving as city attorney, and does not believe that it was the intent of the Council for him or his partner, Liz Rueter to receive a bonus.

Councilmember Curtis wanted to know would this be something occurring every year.

Mayor Powell said employees would receive 4% in July and the 1%, which would be considered a "bonus" in December. This would be based on Council budgeting 5%.

Councilmember Curtis said she remembers Council increasing the COLA to 4% with talk of bumping it up to 5% because of the economy and inflation. She wanted to know would the 5% be a normal COLA for employees to be awarded as a bonus or would it be a one-time 4% and the extra 1% for this year.

Mayor Powell said it would be determined year by year.

Mr. Malewitz said this would be discussed and determined by Council during the budget process. He said Council approved this as part of this year's budget, which is why it was moved under "Consent" on the agenda.

Councilmember Snyder said he does not recall having a discussion on how the money would be distributed. There was discussion of putting the money in the budget, but does not recall discussion about part-time, contract and appointed employees being included. Councilmember Snyder said this was never done in the past; it was slipped in.

Mayor Powell said the only thing different from last year is that part time contract employees were included this year.

With there being no further questions, Mayor Powell called for motion.

A motion was made by Councilmember Garcia and seconded by Councilmember Tarango to approve a one-time incentive payment that was part of the final budget for fiscal year 2023-2024 and the adoption of Resolution No. 23-1559, dated June 29, 2023, approving the final budget for the fiscal year 2023-2024 in the amount of \$58,488,315 which addressed employee compensation, passed unanimously by roll call vote (7-0).

Councilmember Snyder asked Mr. Cooper would there be a conflict of interest for Mayor Powell and Vice Mayor G. Rodriguez.

Mayor Powell said based on his discussion with Mr. Cooper, there would be no conflict of interest if the action affects more than 10 employees, which in this case would affect everyone, then there would be no conflict of interest.

Mr. Cooper explained that based on A.R.S. 38-502, this would be considered a remote conflict of interest. He said there was a "class of persons" provision added a few years ago that removed substantial conflict of interest to a remote conflict of interest, which is not considered part of the conflict of interest laws under the state of Arizona. He did however, state that a councilmember who believes they should not participate has a right to refrain and not vote.

Mayor Powell and Vice Mayor G. Rodriguez wanted it on record that their spouses both work for the city.

Mayor Powell reiterated that per Mr. Cooper's legal opinion, there is no conflict of interest.

Mayor Powell asked for a roll call vote.

The motion passed unanimously by roll call vote (7-0).

**D. ADOPTION OF ORDINANCE NO. 23-953, AMENDING ORDINANCE NO. 21-908; CHAPTER 2, ARTICLE IV OF THE ELOY CITY CODE REGARDING THE PURPOSE, MEMBERSHIP, AND TERMS OF COMMISSIONS, BOARDS AND BUREAUS SERVING THE CITY; PROVIDING FOR SEPARABILITY AND ESTABLISHING AN EFFECTIVE DATE.**

**Staff Cover Sheet Report:** *Council adopt Ordinance No. 23-953, amending Ordinance No. 21-908, setting a time limit as to when a termed-out board or commission member would be considered eligible to reapply to serve on a board or commission they were termed out of.*

*On May 24, 2021, the City Council adopted Ordinance No. 21-908, which established term limits for individuals appointed to serve on city boards and commissions. However, the issue of how long a termed-out board or commission member would have to wait before reapplying to serve on said board or commission was not addressed or memorialized in the ordinance. Councilmember Snyder brought this concern to staff at a recent meeting and asked that the ordinance be amended to address the matter. The proposed ordinance would address this concern by including language that would permit a termed-out board or commission member to reapply to serve on the same board or commission they termed out after one (1) year of no longer serving on said board or commission. If approved, the ordinance would become effective December 27, 2023.*

**FISCAL IMPACT:** *There is no fiscal impact.*

Mayor Powell said it was his understanding that once an individual served three consecutive terms, that person could no longer serve on that board or commission. However, the proposed amendment before Council tonight allows a person to reapply to serve on the board or commission one year after no longer serving.

Mr. Cooper conveyed that staff added a provision where a termed-out board/commission member would have to sit out a year before being eligible to reapply to serve on the same board. He said the general provisions under Arizona law is that the member continues to serve until a successor is duly appointed. Mr. Cooper said when it was brought to staff's attention that Council wanted specifics on when someone could reapply to serve on a board, a term was added whereby a person would have to sit out a year. If Council believes one year is too short, the ordinance can be amended to reflect two years, or a full three-year term. Mr. Cooper said Council can approve the ordinance as amended by substituting one year to two years, three years or one term.

Mayor Powell recalled that there was discussion that if a member served three consecutive terms, that person would no longer be allowed to serve on that board or commission - period.

Councilmember Curtis agreed with Mayor Powell. It was Council's original intent that the maximum time would be three terms (9 years) with no return. She said the reason why this issue came up was because there were questions about whether ex board members could reapply. Councilmember Curtis said she would even support a person sitting out one term, then be allowed to serve only one more term, if this is what Council wants.

Councilmember Snyder wanted to know the definition of a "term." Is it a full term from when the person's term ends (3 years) or is it until a vacancy has been filled and the next vacancy they can apply? According to Mr. Cooper, state statute says a member can remain in the position until the position is filled, even though that

person's term has expired. He wanted to know that in a case such as this, when would the clock actually start on the one year sit out period. Does it start when the term actually expired or when the person was replaced?

Mr. Cooper said when the person is no longer a member, and a new board member is appointed, that would probably be when the clock would start.

Councilmember Snyder said he would support having a person serve one more term, but not three more terms. He is aware there have been problems in the past with filling board vacancies, but this has gotten a lot better in the past year or two. Councilmember Snyder said should there be a problem appointing a new person, the person whose term has expired would continue to serve. This would give the Council time to encourage and seek out individuals to apply to serve on the board or commission.

Mayor Powell said three terms on a board is enough time for a person to serve. Once the person has served three terms they are done. Holding out for one term then come back is not going to help the cause—it is too confusing. Mayor Powell recommended a maximum of three terms, that's it. He pointed out that people can find loopholes where they serve two terms, skip one term, then serve another two terms and so forth.

Councilmember Snyder said the three terms should not apply to alternate positions, like on the Planning and Zoning Commission.

Mayor Powell agreed with Councilmember Snyder.

The city clerk asked Mayor Powell for clarification on the number of terms and would the terms be consecutive or intermittent.

Mayor Powell said a person would only be allowed to serve three terms total.

Mr. Malewitz conveyed that the current ordinance states that members serving on boards or commissions as of the effective date of the ordinance shall serve no more than three consecutive three-year terms from the starting date of the member's initial term. He pointed out that the ordinance states "consecutive."

Mayor Powell reiterated that the maximum would be three terms – that's it.

Mr. Cooper explained that if Council choose to leave the ordinance the way it is, no action is needed. If Council wants staff to address the issue of alternates, direction is needed from Council. He wanted to clarify that Council wants a maximum of three terms only.

Mayor Powell said for now, the ordinance needs to remain as it is, without the proposed amendments.

Mr. Cooper said Council can direct staff to look into the issue of having alternates exempt from the maximum term limits.

Mayor Powell made a motion to take no action on Ordinance No. 23-953, and seconded by Councilmember Snyder. The motion passed unanimously (7-0).

Councilmember Snyder noted that Council needs to direct staff to address the issue of removing term "consecutive" from the existing ordinance as well.

Mr. Cooper said staff would bring the ordinance back to Council with the recommended changes.

## **VIII. BUSINESS**

### **A. PRESENTATION BY NICK DODD, MANAGING DIRECTOR OF RAYMOND JAMES, REGARDING OPTIONS RELATED TO THE ISSUANCE OF A GENERAL OBLIGATION BOND, IN CONJUNCTION WITH A BOND ELECTION, FOR THE PURPOSE OF EVALUATING THE ESTABLISHMENT OF A SECONDARY PROPERTY TAX IN THE CITY OF ELOY.**

**Staff Cover Sheet Report:** *No formal recommendation from the City Staff. City staff are seeking guidance from the City Council on whether or not there is a majority of council members willing to move forward with the project and to direct staff with providing additional information for eligible projects, holding a Bond Election, and issuance of a General Obligation Bond.*

*past few years, members of the council have been discussing the possibility of holding an election to establish a secondary property tax to further assist in funding infrastructure expansion and community growth-related projects. During the FY 23-24 budget process, the City Council again held discussions related to the possibility of pursuing a Secondary Property Tax for those purposes. In the fall of this year, city staff contacted Nick Dodd, Managing Director of Raymond James, regarding discussions with the city council and how the city would manage financially should the decision to pursue a secondary property tax be made.*

*Mr. Dodd agreed to assist and present to the City Council information related to holding a Bond Election and the issuance of General Obligation (GO) Bonds for the next November 2024 election. The GO Bonds are the most common method used to raise revenue for large-scale municipal projects. The bonds are referred to as general obligation, or full faith and credit bonds because they are guaranteed by the full taxing power of the locality and considered more secure than other bonds. Additionally, GO Bonds have lower interest rates in comparison to other bonds. But, in order to secure these bonds, the locality voters have to approve the secondary tax*

*rate that will be used to repay the bonds. During this presentation, Mr. Dodd will discuss the pros and cons of a GO Bond election, the City's bonding capacity, the projected secondary property tax rate, and the next steps in the bond process.*

*Based on the City's Net Assessed Limited Property Valuation for Fiscal Year 2023-2024 is \$133,538,315, the City has the following General Obligation Bond Capacity in the 6% and 20% categories:*

|                                                          | 6%                        | 20%                        |
|----------------------------------------------------------|---------------------------|----------------------------|
| <i>2021-2022 Net Assessed Limited Property Valuation</i> | <i>\$166,347,460</i>      | <i>\$166,347,460</i>       |
| <i>Constitutional Limitation</i>                         | <i>\$9,980,848</i>        | <i>\$33,269,492</i>        |
| <i>Net Direct General Obligation (Bonds Outstanding)</i> | <i>\$0</i>                | <i>\$0</i>                 |
| <b><i>Unused Limitation Borrowing Capacity</i></b>       | <b><i>\$9,980,848</i></b> | <b><i>\$33,269,492</i></b> |

*General Obligation Debt Margins change each year due to changes in Net Assessed Limited Property Valuations and the retirement of the City's outstanding debt, if any.*

*After the completion of the presentation and City Council discussion, City Staff is seeking guidance on whether the majority of the City Council would want to place this project on high-priority status and direct staff to continue to develop a more formal approach to finalizing the steps necessary to add the Secondary Property Tax to the November 2024 general election. Preparation and dissemination to all voters of an informational pamphlet has to occur no less than 35 days prior to a general obligation bond election.*

***FISCAL IMPACT: No Fiscal Impact***

Mr. Wright introduced Mr. Nick Dodd from Raymond James and bond attorney, Zach Sakas with Greenberg Traurig, who presented an in-depth PowerPoint presentation on options related to holding a General Obligation Bond election for the purpose of establishing a secondary property tax that if approved by Council would go before the voters in a 2024 general election.

After his presentation, Mr. Dodd and Mr. Sakis fielded questions from several members of the Council about the proposed secondary property tax.

Mr. Dodd stated that if this is something Council wants to pursue, he and Mr. Sakas would be willing to come back with a specific presentation for a specific set of projects, specific bond amounts and specific bond programs, with targeted tax rates; whatever the desire is of the Council. He said by early spring of next year, the city will need to have a well-formed plan and call the election in February or March, or no later than May 2024.

Council discussed the possibility of bringing the question of establishing a secondary property tax to voters in 2024. There was also discussion about the city surveying

voters early next year to find out if there would be support for a secondary property tax.

Mayor Powell recommended holding a work session before the Council retreat which is held in late January, early February, to find out which direction the Council wants to go.

**B. APPOINTMENT OF A COUNCILMEMBER TO SERVE AS VICE MAYOR FOR A PERIOD OF ONE (1) YEAR, EFFECTIVE DECEMBER 1, 2023.**

**Staff Cover Sheet Report:** *The City Council designates a member of the Council to serve as Vice Mayor for a period of one-year, effective December 1, 2023, and expiring on November 30, 2024.*

*Councilmember Sylvia Guanajuato Rodriguez was appointed by the Council on November 14, 2022, to serve a one-year term as Vice Mayor commencing on December 1, 2022, in accordance with the City Council Rules and Procedures adopted on November 23, 2020.*

*Section 2-11.2 of the Eloy City Code of Ordinances provides that the Council designate one of its members as Vice Mayor, who shall serve in such a capacity at the pleasure of the Council. The Vice Mayor performs the duties and responsibilities of the Mayor during the Mayor's absence or disability.*

*The Council Rules and Procedures provide for a one-year term. The effective start date of the newly appointed Vice Mayor will be December 1, 2023, with the last day of service concluding on November 30, 2024.*

**FISCAL IMPACT:** *No fiscal impact*

Vice Mayor G. Rodriguez thanked the Council for allowing her to serve as vice mayor this past year. Vice Mayor G. Rodriguez said it was a privilege and honor to work alongside Mayor Powell, who has been a great mentor to her. She said the city has accomplished so much this past year and she has learned a lot during her time as vice mayor.

Mayor Powell thanked Vice Mayor G. Rodriguez for the time she put forward serving as vice mayor.

It was at this time that Mayor Powell opened the floor for nominations.

Councilmember Snyder nominated Councilmember Sara Curtis to serve as vice mayor.

Councilmember Curtis conveyed that she would be honored to serve as vice mayor if it is the pleasure of the Council.

With there being no further nominations, Mayor Powell called for a motion.

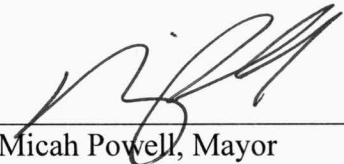
Motion by Councilmember Snyder, seconded by Councilmember Sutton to appoint Councilmember Sara Curtis to serve as vice mayor for a period of one (1) year, effective December 1, 2023, passed unanimously by roll call vote (7-0).

**IX. EXECUTIVE SESSION**

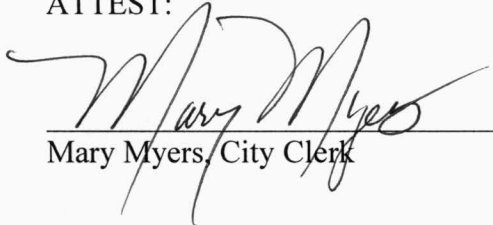
There were no requests for an executive session from the Council or city staff.

**X. ADJOURNMENT**

There being no further business, Mayor Powell adjourned the meeting at approximately 7:55 p.m.

  
\_\_\_\_\_  
Micah Powell, Mayor

ATTEST:

  
\_\_\_\_\_  
Mary Myers, City Clerk