

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
MAY 29, 2018
6:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Brian Wright-Finance Director; Keith Brown-Public Works Director/City Engineer; Christopher Vasquez-Police Chief; Sylvia Payne-Human Resource Director; Rus Ketcham-Library Director; Paul Anchondo-Community Services Director; Jon Vlaming-Community Development Director; Jeff Fairman-Economic Development Specialist

I. CALL TO ORDER

Mayor Joel Belloc called the meeting to order at approximately 6:04 p.m.

II. INVOCATION

Invocation was given by Sgt. Violet Maestas.

III. PLEDGE OF ALLEGIANCE

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

IV. ROLL CALL

Council Members Present: Councilmember Jose Garcia; Councilmember J.W. Tidwell; Vice Mayor Micah Powell; Councilmember Dan Snyder; Mayor Joel Belloc; Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez

Council Members Absent: None

V. COMMUNICATIONS

Mayor Belloc shared the following information with Council and the public:

- Congratulated city staff and the committee for doing a great job organizing the Memorial Day celebration;

benchmarks to monitor plan achievement. This plan will be developed using a focused participation process, based on the active engagement of public, private, educational, and civic leaders and stakeholders. The overall cost of this plan is anticipated to range between \$50,000 and \$60,000. Half of the cost, or approximately \$30,000.00 will be provided by APS. Their participation will also include providing a representative to serve on the Strategic Plan Technical Advisory Committee and to print 100 copies of the final adopted plan for Eloy's use.

FISCAL IMPACT: *The estimated cost to the City of Eloy to complete an Eloy Economic Development Strategic Plan is accommodated in the City's budget for Fiscal Year 2018-19. Staff believes the total budget to be between \$50,000 and \$60,000, but will provide a maximum of \$30,000 for this effort, utilizing funds from the 2% food tax.*

Mr. Fairman gave a brief overview of staff's request to solicit for qualifications of a consultant or firm to prepare an economic development strategic plan for the city. He said the last time a plan was done was in 1999. There has been a number of changes in the economy and in the city since this time. Mr. Fairman said he anticipates the solicitation and Council awarding of the contract to occur within the next 30 to 45 days. Mr. Fairman also pointed out that there will be a technical advisory team established so that it won't be just staff making decisions. He intends to reach out to local businesses, residents and Council and other leaders. Mr. Fairman stated the plan will be something everyone participated in and agreed to.

After his presentation, Mr. Fairman answered a series of questions from Council.

Motion by Vice Mayor Powell, seconded by Councilmember Garcia to authorize staff to conduct a solicitation and recommendation process to retain a consultant firm/team to prepare and adopt an Economic Development Strategic Plan, passed unanimously.

B. ADOPTION OF RESOLUTION NO. 18-1438 DECLARING THE CITY OF ELOY PURCHASING POLICY DATED MAY 29, 2018 AS A PUBLIC RECORD.

Staff Cover Sheet Report: *Council adopt Resolution No. 18-1438 declaring the City of Eloy Purchasing Policy dated May 29, 2018 as a public record.*

One of the main goals for the Finance Department in FY2017-18 was to update the City's Purchasing Policy guidelines and procedures since the last modification was over ten (10) years ago. Updating the purchasing policy will allow departments to purchase items more efficiently and effectively for the City.

Before updating the City's policy, staff reviewed purchasing policies from numerous cities and towns similar to Eloy's population and annual budget. Those cities and towns were Show Low, Florence, Coolidge, Willcox, and Page. Due to the extent of

the revisions, staff is proposing to delete the existing policy in its entirety, and adopt the revised policy, which includes language additions and clarifications, as well as purchasing threshold updates.

This policy has been distributed to all departments for comments and has been reviewed by legal. This Purchasing Policy will allow individuals purchasing on behalf of the City a better understanding of the procedures and guidelines that must be followed along with a stronger financial accountability to better serve the organization.

FISCAL IMPACT: *There is no fiscal impact.*

Mr. Krauss pointed out that this item and the next item on tonight's agenda go together. He briefly reviewed the proposed purchasing policy to Council. Mr. Krauss conveyed adoption of the resolution will allow the city to only publish the resolution and not the entire purchasing policy in the newspaper. This will save the city money in publication costs.

Several members of Council expressed the following concerns about the policy:

- Increasing the current threshold amount of \$10,000 or more (that requires Council approval and the mayor's signature on all contracts and leases) to \$25,000 or more. Under the proposed purchasing policy, anything below the \$25,000 threshold would be done administratively through the city manager.
- Concerned about staff possibly spending \$25,000 that is not budgeted.
- Concerned vendors possibly splitting purchases in two or more payments in order to prevent exceeding the \$25,000 limit.

Vice Mayor Powell said he has no problem with staff making emergency expenditures like when one of the pumps went down.

Mr. Wright made several recommendations to Council regarding their concerns.

Councilmember Snyder wanted to know if Mr. Wright and Mr. Krauss could both sign off on unbudgeted expenses between \$10,000 and \$25,000.

Mr. Wright said he can incorporate this into the policy.

Mr. Cooper conveyed that in Section 2-135 (A) of the policy it states "*All purchases of \$500 or higher, require prior approval by the City Manager or designee.*"

Vice Mayor Powell said he does not want to micro-manage, but there has to be a level where Council feels comfortable...\$25,000 is a lot of money.

Councilmember Galindo wanted to know threshold amounts for other cities that staff looked at.

Mr. Wright said he looked at the purchasing policies of the following cities that were similar in size and budget of Eloy:

- Coolidge Over \$20,000 goes to Council
- Florence Over \$25,000 goes to Council
- Show Low Over \$50,000 goes to Council
- Willcox Over \$25,000 goes to Council

Mr. Wright said he could not find another city with a \$10,000 threshold that had to be taken to Council.

Mayor Belloc suggested the signature of the Mayor or Vice-Mayor be required for anything over \$10,000 to \$15,000.

Mr. Wright said anything between \$10,000 and \$25,000 doesn't have to be in the code, but there can be two signatures because there are two signature lines on purchase orders. Also, if Council wants the Mayor or designee to sign besides the City Manager, page 4, Section E (1) states, "*All contracts, leases and purchase agreements which are under \$25,000 are signed by the City Manager...*" The language, "*the mayor or designee...*" can be inserted after City Manager.

Councilmember Snyder said he would support this.

Mr. Krauss told Council that staff will go back and revisit the policy and bring back to Council with the revisions.

Vice Mayor Powell recommended tabling this item until changes discussed tonight can be implemented in the policy.

Councilmember Galindo wanted to know if Council have to table both items (IX-B & C).

Mayor Belloc said yes. He recommended Council review the proposed policy and contact Mr. Krauss for any recommended changes.

Motion by Vice Mayor Powell, seconded by Councilmember Snyder to table items IX-B and IX-C indefinitely, passed unanimously.

C. ADOPTION OF ORDINANCE NO: 18-876 AMENDING AND REPLACING IN ITS ENTIRETY ARTICLE VII OF THE CITY CODE AS IT PERTAINS TO THE CITY'S PURCHASING POLICY.

Staff Cover Sheet Report: Council adopt Ordinance No: 18-876 amending and replacing in its entirety Article VII of the City Code as it retains to the City's Purchasing Policy.

One of the main goals for the Finance Department in FY2017-18 was to update the City's Purchasing Policy guidelines and procedures since the last modification was over ten (10) years ago. Updating the purchasing policy will allow departments to purchase items more efficiently and effectively for the City.

Before updating the City's policy, staff reviewed purchasing policies from numerous cities and towns similar to Eloy's population and annual budget. Those cities and towns were Show Low, Florence, Coolidge, Willcox, and Page. Due to the extent and scope of changes, staff is proposing that the current policy be repealed in its entirety and the revised policies be adopted. Below are some of the major changes to the purchasing policy.

- In Section 2-135 (C) – Changed the threshold when a purchase order must be issued from \$250 to \$500. Departments can make purchases up to \$500 before a valid purchase order must be issued.
- In Section 2-135 (E) Contracts, leases and purchase agreements- Added that the City Manager signs all contracts, leases and purchases agreements under \$25,000.
- In Section 2-136 (K) Exclusion Competitive Evaluation Requirements – Added addition language and expanded what professional services are when it comes to competitive bidding on professional services.
- In Section 2-138 (B) – Added and change the language for purchasing thresholds. The new purchasing threshold are as follows:
 1. Normal purchasing w/Competitive pricing \$0 - \$5,000 (Was \$0-\$1,500);
 2. Telephonic or Verbal quotes w/Exhibit B \$5,001-\$10,000 (Was \$1,501-\$5,000) Exhibit B – Oral Bid Sheet – When doing Telephonic or Verbal bids this must be filled out and sent over with expenditure request. Forms must be filled out with what is being bid, scope of work and description.
 3. Written Bids w/Exhibit C \$10,001-\$25,000 (Was \$5,001-\$10,000) Exhibit C – Bid Information Sheet- When doing written bids this must be filled out and sent over with expenditure request. The form must be filled out with what is being ask for in written bids, scope and description.
 4. Formal Bidding & Council Approval \$25,001 & over (Was \$10,000 & over)

This policy has been distributed to all departments for comments and has been reviewed by legal. This Purchasing Policy will allow individuals purchasing on behalf of the City a better understanding of the procedures and guidelines that must be followed which will provide for stronger financial accountability to better serve the organization.

FISCAL IMPACT: *There is no fiscal impact.*

Item tabled indefinitely. See agenda item IX-B for motion.

D. ADOPTION OF RESOLUTION NO. 18-1440 APPROVING UPDATES AND REVISIONS TO POLICY NO. 200 OF THE CITY'S ADMINISTRATIVE POLICIES AND GUIDELINES MANUAL PROVIDING FOR CRITICAL SERVICE PAY AND ON CALL PAY.

Staff Cover Sheet Report: *Council adopt Resolution No. 18-1440 approving updates and revisions to Policy No. 200 of the City's Administrative Policies and Guidelines Manual providing for Critical Service Pay and On Call Pay for eligible employees.*

At a recent Council work session the issue of providing on call pay for employees was discussed. Since the work session, staff has surveyed other cities and towns to determine their policy on providing "on call pay" for employees. Based upon this review, staff is recommending amendments to Policy 200 of the City's Administrative Policies and Guidelines Manual to provide policies on "Critical Service Pay" and "On Call Pay", as well as clarifying the circumstances for providing "Call Back Pay".

Generally an employee may be assigned for on call duty to respond to critical situations outside their scheduled work hours. An on call employee must be easily reached and be available to respond within a reasonable period of time, but not more than one hour. In addition, employees must be fit for duty. Failure to adhere to on call requirements may result in disciplinary action. Employees assigned on call would be receive one hour of pay at 1.5 times their hourly rate for a scheduled work day, or two hours of pay at 1.5 times their hourly pay rate during city observed holidays. The City's personnel attorney has review this policy.

Staff also added a provision for Critical Service Pay when employees are sent home during their regularly scheduled work day in order to prepare for critical service duties at a later shift.

FISCAL IMPACT: *Staff anticipates that there would be three on-call employees designated on a regular basis – 1) Utilities; 2) Streets and 3) Detective. The annual estimated fiscal impact for this program is as follows: Utilities - \$16,000; Streets - \$15,000; and Detective - \$29,000.*

Mr. Krauss reviewed the proposed changes to the critical service pay and on call pay policy with Council.

Councilmember Tidwell asked Mr. Cooper if the city can require an employee to have a telephone.

Mr. Cooper said if the employee is technically on call, that employee has an obligation to find some way of communicating with the city.

Mr. Krauss said public works has on call cell phones the city will issue to employees if they do not have a phone.

Vice Mayor Powell expressed his support of the proposed revised policy. He said that it's very generous to the employees who are on call.

Mayor Belloc said he was one of members of Council to ask for this and thanked Mr. Krauss for bringing this to Council.

Councilmember Galindo said she likes that employees can flex their time.

Motion by Councilmember Snyder, seconded by Councilmember Garcia to read Resolution No. 18-1440 by title only, passed unanimously.

The city clerk read the resolution title into the record.

Motion by Vice Mayor Powell, seconded by Councilmember Snyder to adopt Resolution No. 18-1440, passed unanimously by roll call vote.

E. ADOPTION OF RESOLUTION NO. 18-1441 APPROVING REVISIONS TO POLICY NO. 600 OF THE CITY'S ADMINISTRATIVE POLICIES AND GUIDELINES MANUAL PROVIDING FOR A DONATION OF LEAVE POLICY FOR ELIGIBLE EMPLOYEES.

Staff Cover Sheet Report: *Council adopt Resolution No. 18-1441 approving revisions to Policy No. 600 of the City's Administrative Policies and Guidelines Manual providing for a Donation of Leave Policy for eligible employees.*

Staff recently suggested that the City provide for a donation leave program for an employee that is dealing with a family medical emergency or a major disaster that requires time off from work in excess of their available sick leave or personal time off (PTO). The City of Casa Grande has a similar program. The donation of vacation leave or PTO is strictly voluntary. The maximum number of hours that an eligible employee may donate in one calendar year is 40 hours or no more than 50 percent of an employee's current leave balance. Requests for donations of leave time must be approved by the City Manager, and employees who receive donated leave time cannot receive more than 480 hours (12 weeks) within a rolling 12-month period.

FISCAL IMPACT: *There is no fiscal impact to this program since the City compensates employees for all vacation and PTO hours.*

Mr. Krauss explained the process for employees donating hours under the proposed policy.

Mayor Belloc expressed his happiness with the policy. He said this gives employees an opportunity to donate some of their PTO to a fellow employee who may be experiencing an unexpected illness or catastrophe.

Councilmember Garcia asked would employees donate on a per case basis or will it all go into a bank for employees who need it.

Mr. Krauss said there will be no bank. It will be on a per case basis; hour by hour basis. If a \$20 an hour employee donates to a \$10 an hour employee, the donation would be calculated at an hour by hour basis and not value per hour.

Vice Mayor Powell wanted to know would the employee who's in need of hours have to exhaust all of their PTO first.

Mr. Krauss said yes.

Vice Mayor Powell asked would the employee have to exhaust their short term disability as well.

Mrs. Payne said if an employee goes on medical leave or some sort of leave and will be out anywhere from 7 days to 12 weeks, generally the short term disability will kick in. However, there are cases where an employee will have a chronic illness or a chronic situation. She gave an example of an employee's home that is destroyed by fire. If the employee has to take time off to take care of his/her family but has no time, employees can donate hours to that employee. She said the donation policy will sometimes kick in for sick because the employee may be short the 80 hours for a full paycheck. Mrs. Payne conveyed that short term disability would not kick in for a situation such as this.

Vice Mayor Powell like the idea of a donation policy for employees.

Councilmember Galindo asked does the city offers short term disability for employees.

Mrs. Payne said yes; the city pays 100% of the short term disability for employees.

Councilmember Rodriguez gave his full support of the policy. He remembers how the police officers years ago donated hours to his father who worked for the city for over 19 years and became ill. Because of the donations, Councilmember Rodriguez said his father was able to pay his monthly insurance premiums until he retired shortly after being discharged from the hospital.

Motion by Vice Mayor Powell, seconded by Councilmember Snyder to read Resolution No. 18-1441 by title only, passed unanimously.

The city clerk read the resolution title into the record.

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to adopt Resolution No. 18-1441, passed unanimously by roll call vote.

X. INFORMATIONAL ITEMS

No informational items.

VII. EXECUTIVE SESSION

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez, to hold an executive session at approximately 7:34 p.m. for approximately 30 minutes with the city attorney, city manager and city clerk (transcribing) for discussion/consultation concerning contracts subject to negotiation concerning Right Away Disposal, pursuant to ARS 38-431.01 (A) (3) and (4), passed unanimously.

Mayor Belloc reconvened the public meeting at approximately 7:56 p.m.

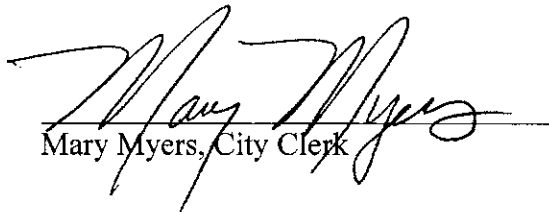
XI. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 7:57 p.m.



Joel G. Belloc, Mayor

ATTEST:



Mary Myers, City Clerk