

CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

August 8, 2011 6:00 P.M.

The meeting was called to order by Mayor Shipley at 6:00 p.m.

The Invocation was given by Councilman Lerry Alderman followed by the Pledge of Allegiance led by Councilwoman Uhl.

ROLL CALL

Present: Councilwoman Mary Ann Uhl, Councilwoman Carmen Casillas, Councilman Lerry Alderman, Mayor Fernando Shipley.

Absent/Excused: Vice Mayor Thea Wilshire, Councilman Terry Wheeler, Councilman Desmond Baker.

1. SUMMARY OF CURRENT EVENTS

A. Council Members

Councilman Alderman stated that EDC contributed \$1,000 to the Farmer's Market for our downtown betterment.

Councilwoman Casillas stated she respects everyone's opinion on decisions being made on this Council, she stated that Mr. Moss wrote an article in the Arizona Silverbelt stating that we were rude to our constituents. She publicly apologized to those who were against the prison issue who thought that she came across as rude. She stated that if she has ever been rude to them, she encouraged them to call her or email her so that she can publicly apologize to them.

Councilwoman Casillas expressed her condolences to the family of Mr. Wayne Blake.

B. Mayor

Mayor Shipley expressed his thanks to Four B Shooters for the donation of guns to our Police Department.

C. City Manager

City Manager Graves stated that he received a letter from the Globe Postmaster encouraging all everyone to attend a public hearing at the Cobre Valley Country Club tomorrow at 5:00 p.m. He stated that this meeting is regarding possible changes to the mail delivery in our community.

2. SPECIAL PRESENTATIONS

- A. "A Separate Legal Entity, A Cottage Campus in the Pines, Higher Education and a new Era of Cooperation in Gila County" - Kenny Evans, Mayor of Payson.

This item was tabled.

- B. Discussion and Consideration of the Gila County Historical Society Museum's Request for \$1,500 Donation for Centennial City Band - Vernon Perry.

Ms. Donna Anderson explained that the Gila County Historical Society would like to revive the City Band as the Centennial Band for the Centennial events and asked the Council to donate \$1,500 to this cause. The money will be used to purchase music, have copies made, stipend for band leaders.

It was the consensus of the Council to place this request on the next meeting for consideration.

- C. Presentation of Money Raised During Independence Day Parade to Gila County Support Our Service Men and Women - Jesse Bryant.

Jesse Bryant presented \$100.00 to Mrs. Pat Brink of the Gila County Support Our Service Men and Women. He stated that this money was raised by entry fees for the Fourth of July Parade. He thanked all the participants and thanked the City Employees for their work on closing the streets for this event.

Mayor Shipley thanked Jesse Bryant for organizing this parade.

3. CONSENT CALENDAR

Motion: approve consent agenda Items A, B and C. **Action:** Approved, **Moved by** Councilwoman Carmen Casillas, **Seconded by** Councilwoman Mary Ann Uhl. Motion passed unanimously.

- A. Consideration of Waiver of Section 2-4-10 (A) [Prior Discussion Rule] to Allow Action on the Balance of the Consent Agenda.

Passed.

- B. Accounts Payable.

Passed.

- C. Consideration of Approval of Council Minutes.

1. Regular Meeting Minutes of July 11, 2011
2. Regular Meeting Minutes of July 18, 2011

Passed.

- D. Ratification of the City Manager's Grant Submittal to the U.S. Department of Justice to Purchase Bullet Proof Vests for the Globe Police Department Regular and Reserve Officers. (Kane Graves/Lee Kinnard)

Councilwoman Casillas asked what the status of this application is. It was explained that this is a \$24,000 grant and they extended the deadline to allow the City to make application for this grant.

Motion: approve Item 3d, **Action:** Approved, **Moved by** Councilwoman Carmen Casillas, Seconded by Councilwoman Mary Ann Uhl.

Motion passed unanimously.

4. NEW BUSINESS

- A. Discussion and Consideration of Post Retirement Health Benefits Including Actuarial Valuation Under GASB 43/45 Prepared by Rael & Letson for Fiscal Year Ending June 30, 2011. (Kane Graves/Teresa Williams)

City Manager Kane Graves explained that the City currently subsidizes 3 retirees who are currently paying \$40.00 a month for health insurance. The second category are those that retired after January 1, 2009 and those retirees under Resolution 1499 receive a stipend in the amount of \$400.00 per month that they can apply for reimbursement for their payments for qualified health insurance. There are currently 7 individuals in this plan.

He stated that December 13th, Council directed staff to complete an actuarial study for FY June 30, 2011 and it has been completed. The cost of the study was 7,500 that actuarial study under GASB must be repeated every 3 years. He stated that GASB has not required that these be fully funded. The annual required contribution shows that the annual required contribution for FY 2011-2012 is 43,500. We have spent \$50,000 on this, in this past year. The actuarial value for these post retirement welfare benefits is \$670,000 and the actuarial accrued liability is \$600,000. He asked for council direction of what to do with these benefits; to terminate, continue with this program or modify in the program.

Councilman Alderman voiced his opinion that stopping this program now, before we have a huge number of people that are all in this reimbursement program.

Finance director Teresa Williams stated that the annual contribution would be \$43,500 every year until we reach \$601,000 to fund the plan and having to conduct an actuarial study every 3 years.

Mayor Shipley stated that there are strong feelings on this; he understands that this will effect a lot of people. He stated that he feels that if we made a promise to someone and they relied on this promise and now they are in retirement mode collecting, to him this is something that we promised them and they relied on this, He feels we owe them this. Technically there is a way out; there is an escape clause. He stated that this is not easy to do, we should keep our promise. He stated that if we cant afford this from now on, he understands that we have employees that can retire now and if we enacted this his preference would be to do this from a certain day moving forward.

Councilwoman Casillas stated that she shares the Mayor's thoughts as well in this issue.

This item will be brought back in this present form or draw up a resolution with a delayed effective date. The Council directed the City Manager to show them numbers if December 31, 2011 is the end date of this program, how many people would utilize and what does this do to our financial situation. More council input also.

5. ACTION ITEMS

- A. **ORDINANCE NO. 806** - AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF GLOBE, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2012. (Kane Graves/Teresa Williams)

Finance Director Teresa Williams stated that at the Public Hearing regarding the tax levy on July 18 it was discussed the increase of .08 per 100,000 of assessed valuation. She stated that the County has reduced the city's assessed valuation by 2 million dollars so she would anticipate that a homeowner would not see this entire 8.00 per year on their tax bill due to the decrease of assessed valuation. We did budget for this amount to be increased and if this ordinance is approved the difference between the \$1.32 and the \$1.40 being proposed would bring about \$35,000 in our property tax revenue. This does not bring us up to the level that we had last year.

City Resident Rick Barela addressed the Council opposing this tax increase. He expressed his concerns of this tax increase proving a hardship in households with those on a fixed income.

Mickie Nye, President of the Globe Miami Chamber of Commerce addressed the Council stating his opposition to raising the property tax rate.

Motion: adopt Ord 806. Failed for lack of 2nd., **Action:** Lack of a 2nd, **Moved by** Councilwoman Mary Ann Uhl, **None seconded.**

Motion Failed.

Motion: not to raise taxes., **Action:** Approve **Moved by** Councilwoman Carmen Casillas, **Seconded by** Councilman Lerry Alderman.

Motion passed unanimously.

6. CALL TO THE PUBLIC:

Any citizen desiring to speak on a matter that IS NOT scheduled on this agenda may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the City Council as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At

the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

1. Mickie Nye stated that the downtown streetscape looks great, but asked the Council to concentrate on cleaning up the Highway sidewalks in East Globe.

7. SCHEDULING OF MEETINGS:

Scheduling of meetings, which may be brought up at this time.

8. ADJOURNMENT.

6:46 p.m.

SCHEDULED MEETINGS/EVENTS:

REGULAR MEETING August 15, 2011

REGULAR MEETING August 22, 2011

REGULAR MEETING August 29, 2011

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of the City of Globe held on the 8th day of August, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Gina A. Paul, CMC, City Clerk