

# CITY OF GLOBE

## REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

AUGUST 23, 2010 6:00 P.M.

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

The Invocation was given by Councilman Desmond Baker, followed by the Pledge of Allegiance led by Vice Mayor Thea Wilshire.

### ROLL CALL

Councilpersons present: Wheeler, Wilshire, Uhl, Baker, Casillas and Alderman

Councilpersons absent: None

City Manager / Legal Counsel present: K. Kane Graves

#### 1. SUMMARY OF CURRENT EVENTS

##### A. Council Members

1. Councilwoman Casillas thanked Police Chief Melvin and Lieutenant Kinnard for working hard and keeping our community safe.

##### B. Mayor

1. Mayor Shipley stated that he has received a letter from the Tonto National Forest initiating a 30-day comment period for the possibility of putting a restroom facility at pipeline.

##### C. City Manager

1. Mr. Graves read a letter from a citizen of the City of Mesa that was passing through our community and had a flat tire on the side of the road. Lieutenant Lee Kinnard assisted them on his day off, in civilian clothes; he used his compressor and changed the tire for them. They commended him on his professionalism, kind demeanor, kind attitude. They wished to let the City know how proud we should be to have Lt. Kinnard on our force.

#### 2. SPECIAL PRESENTATIONS

None Scheduled at This Time

#### 3. CONSENT CALENDAR

- A. Consideration of waiver of Section 2-4-10 (A) [Prior Discussion Rule] to allow action on the balance of the Consent Agenda:
- B. Accounts Payable
- C. Consideration of Approval of Temporary Extension of Liquor License Premises for the Drift Inn Saloon for the "Dogtoberfest" Event on October 2, 2010

Councilman Baker moved to approve items A and B with the addendum for accounts payable. Seconded by Councilwoman Wilshire.

Motion carried unanimously.

- 3C. Councilwoman Uhl asked if evidence of Insurance is necessary for this event. Applicant Lisa Townsend stated that she has a 1 million dollar policy for liquor liability.

Councilwoman Uhl moved to approve Item 3C. Seconded by Councilman Baker.

Motion carried unanimously.

#### 4. NEW BUSINESS

- A. Discussion and Consideration of Authorization for City Manager to Issue a Emergency Purchase Order to Weber Group in an Amount Not to Exceed \$250,000 for Emergency Repairs to the City's Well No. 2

City Manager Kane Graves explained the plan to repair Well No. 2 instead of drilling a new well. He stated that staff is currently checking with WIFA to approve this project. He stated that if WIFA does not approve of this, this money will be taken from the Enterprise Fund.

Councilman Wheeler moved to waive the meeting rules. Seconded by Councilman Alderman.

Motion carried unanimously.

Councilman Wheeler moved to authorize the City Manager to issue a purchase order to Weber Group in the amount not to exceed \$250,000 for the emergency repairs to Well No. 2. Seconded by Councilman Alderman.

Motion carried unanimously.

#### 5. ACTION ITEMS

- A. Discussion and Consideration of Directing Staff to Post Notice of Intent to Increase Sales Tax by up to A Half Per Cent (0.5%)% as required by A.R.S. 9-499.15 (Kane Graves /Teresa Williams)

City Manager Kane Graves stated that this was discussed last week. He briefed the Council on the statute for posting requirements onto the City's web page should the council consider raising the tax rate. He explained that .5% is the proposed increase presented by City staff which would put the overall tax rate at 10.1%.

Mr. Graves recapped last weeks meeting stating that there were comments made that if the tax was to increase this would drive everyone down to the valley to shop. He explained Option V of the Model City Tax Code which allows the Council to set a cap on taxes for large ticket items being applied to everything up to an amount established by the Council and the remainder over that amount would apply a an established tax rate. He stated that this formula could be used for car dealers. Also

reemphasizing the idea of lowering the sales tax and advertising throughout the state that the City of Globe has the lowest sales tax in the state in hopes that visitors will shop here. He asked the Council for guidance of how to proceed with the possibility of changing the sales tax.

Finance Director Teresa Williams stated that the proposed .5% sales tax was included in the 2010-1011 budget. She stated that everyone will share in this increase, department heads have already cut their budgets as low as they can, there is nothing left to cut in these departments. She stated that without the sales tax increase the City will have to make \$700,000 in cuts which could include a layoff of employees. She stated that this year the City lost \$325,000 from State Shared Revenues, Health Benefits increased 18% which included double co-pays for the employees, there are no matrix or cola increases for the last 2 years, and all employees are on an 8 hour furlough per month.

Resident Terry Moya shared his opposition to the sales tax increase.

Mickie Nye and Ellen Kretsch of the Globe Miami Chamber of Commerce read a letter to the Council in opposition to the Council increasing the sales tax.

Mr. Nye asked that a blue ribbon committee be formed to make recommendations for the City's finances.

Councilman Wheeler stated that he would like to see a committee formed to review the City's finances, he would like to see a decrease in sales tax and encourage people to visit Globe. This is a risk and possibly the committee could look at this idea and other ideas to study.

Resident Rick Barela shared his opposition to the increase of the sales tax.

Councilwoman Casillas stated that she agrees with Councilman Wheeler that a group should be formed to look at other options.

Business owner Sarah Bernstein shared her opposition to an increase in the sales tax and encouraged that the sales tax be left as it is and wants to see the community be better informed of the City's finances. She stated that she reviewed quickly the budget prior to tonight's meeting and saw where this sales tax increase was already listed as an expected income, and can't believe that the city has cut to bare bones as they have stated. She stated that initiating layoffs and cutting salaries 5% across board could be considered. She stated that she understands the challenges of the Council.

Vice Mayor Wilshire stated that she appreciates everyone's input, she did question the memo in the budget and forming a budget around a best case scenario that if we don't have it in the budget, we can't spend it, we can't budget for the worst case scenario, she stated that the entire council voted on this budget with a lot of planning and discussions of cuts.

Councilwoman Wilshire moved to direct the City Staff to post the notice of intent to increase the sales tax by a half a percent as required by A.R.S. 9-499.15. Seconded by Councilman Baker.

Councilwoman Wilshire stated that while a lot of communities have to resort to raising taxes, she stated she wants to see us try a 3 – 6 month period of lowering taxes with the Chamber and EDC helping us to in promote “shop local” . She stated that we may be able to raise money by promoting our community and encouraging residents and visitors to shop here, rather than raising taxes. If this doesn’t work, then this motion gives the City a “Plan B” which allows us to consider a tax increase.

Motion carried.

Councilman Wheeler called for a roll call vote:

District 1 = Nay, District 2 = Yea, District 3 = Yea, District 4 = Yea, District 5 = Nay, District 6 = Nay, and the Mayor voted Yea to break the tie.

Motion carried.

- B. Discussion and Consideration of Directing Staff to Post Notice of Intent to Increase Utility Fees by up to Eight Per Cent as required by A.R.S. 9-499.15 (Kane Graves / Teresa Williams)

Mr. Graves explained that same statute applies to raising utility fees as discussed in the last item, except that this increase must be justified by a report explaining why the money is needed first.

Finance Director Teresa Williams stated that by raising the fee’s 8% would bring in \$126,000 over the course of the year. She stated that 1.6 million has been contributed by the general fund over the years and the Water fund may continue to pay back the general fund over time.

Councilman Wheeler asked what the 8% need for increase is. Ms. Williams explained special projects such as the installation of a larger transmission line on Jesse Hayes, replacing lines and upkeep of our water infrastructure.

Councilwoman Casillas moved to direct staff to post a notice of intent to increase the utility fees by eight percent as required by A.R.S. 9-499.15. Seconded by Councilman Alderman.

Ellen Kretsch asked the council to consider a once a week residential pickup instead of a 2 times per week pickup, this would save some money.

City Manager Graves stated that our crewmembers pick up the cans by hand, usually up to 33 gallons which is too heavy, our employees are overloaded and injuries are a large concern. He stated that we currently are asking for bids for possible privatization of this service.

Mike Guerrero, Sanitation Driver stated that once a week will not work, his crew already works with no lunch break and possibly 10-12 hours to get through route if it is to be picked up once a week.

Felix Mejia, Sanitation Driver stated that there is a policy on the weight of cans, oversize cans and a 1 day pickup is not a good ideas. He knows that the City is looking at privatization, some of his crew have been doing this for 20 years

Motion carried unanimously.

8. 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. Rick Uhl addressed the Council stating that the four months for the sales tax increase would fall around Christmas time.
2. Felix Mejia stated that if the tax is not passed, is it more likely that employees would be laid off?

The Council adjourned into Executive Session at 7:38 p.m.

6. EXECUTIVE SESSION.

- A. Confidentiality Statement.
- B. Discussion or consultation with the attorney or attorneys of the public body for legal advice or to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, pursuant to A.R.S. Sections 38-431.03(A)(3) and (A)(4)
  1. Discussion of Water Option

7. POST EXECUTIVE SESSION.

Consideration of any item on the Executive Session portion of this agenda, which the Council may wish to take action upon in Open Session.

Nothing to report.

Vice Mayor Wilshire moved to reconvene into Regular Session. Seconded by Councilman Alderman.

Motion carried.

The Council adjourned from Executive Session at 8:20 p.m., and reconvened into Regular session immediately following.

9. SCHEDULING OF MEETINGS:

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

10. ADJOURNMENT.

8:25 p.m.

SCHEDULED MEETINGS/EVENTS:

REGULAR MEETING September 13, 2010

REGULAR MEETING September 20, 2010

REGULAR MEETING September 27, 2010

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 23<sup>RD</sup> day of August, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

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Gina A. Paul, CMC, City Clerk