

# CITY OF GLOBE

## REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

DECEMBER 13, 2010 6:00 P.M.

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

The Invocation was given by Councilwoman Baker, followed by the Pledge of Allegiance led by Councilwoman Casillas.

### 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

Councilwoman Uhl thanked everyone for attending the library open house on Saturday. She stated that we are now No. 3 on the Readers Digest Campaign.

Councilman Wheeler stated that he attended the San Carlos Council Inauguration last week and he feels a positive relationship in working with this Council.

Councilman Wheeler shared his thoughts with the new medians on Oak Street being installed, stating that his concerns are the safety of large trucks getting through.

Vice Mayor Wilshire thanked everyone that participated in the Light Parade, especially the Public Works Crew and the Public Safety Crews for redesigning the parade route, for safety concerns.

Vice Mayor Wilshire recognized Mainstreet and Hollis Theatre for promoting "It's A Wonderful Life" as this years theme.

Councilwoman Casillas reminded everyone to lock their vehicles and homes, stating that burglaries are on the rise in our community.

##### B. Mayor None

##### C. City Manager

City Manager Kane Graves reminded the Council that the Employee Potluck will be held on Friday from 12:00 to 3:00.

#### 2. SPECIAL PRESENTATIONS

A. Presentation of Sergeant A.J. Castaneda - Lee Kinnard

Chief of Police Lee Kinnard introduced A.J. Castaneda as a new Sergeant, stating that he tested and interviewed 4 candidates and Mr. Castaneda was chosen as Sergeant.

Sergeant Castaneda thanked the Council for the their confidence in him as well as encouragement from his wife. He stated that he has many new ideas that he will continue to share with Chief Kinnard and it has been an honor to serve in law enforcement as his dad did as the Police Chief in Miami. He stated that he wants his officers to reconnect with the community and make the citizens feel as though their call is of the utmost importance.

B. Presentation of Annual Audit - John Naylor C.P.A., P.C.

Mr. John Naylor presented the 2009-2010 FY Audit to the Council. He explained that revenues plus total cash flow expenditures are under the governmental basis of \$114,224 and has met the debt requirement and capital outlay. The sewer fund shows a positive balance of \$330,233, which met outlays. There was a loss of funds through sales tax, expenditures exceeded revenues \$778,000, the State Shared Revenues have decreased, gas income tax decreased, lieu tax decreased \$279,429 and expects to fall in the future. He shared concerns that our savings has depleted 25% for a total of 1 million dollars, he stated that the city may have to force an increase in City Sales Tax, multiple layoffs, and look at business license fee increase for people that do not live here.

He stated that the City is well run, thanking Teresa Williams and Kane Graves for doing a good job on the books. He stated that the imposed city furlough has helped the City, Medical Insurance looks very good, it holds as a descent price and only showing an increase of \$27,000 from last year.

The Council thanked Mr. Naylor for his report.

C. Granicus Presentation on Meeting Software - Ed Burrell

Mr. Ed Burrell gave a presentation by Granicus – mission to change way citizens interact with government.

Mr. Burrell demonstrated his product of a Minute Maker Program and various suites that could be selected for the ease of minute taking, Agenda Packets and Public involvement in meetings. He explained the different suites stating that the up front cost now until December 31, 2010 is \$45,000. He stated that they will train the City Clerk until she feel's comfortable with the system.

The Council thanked Mr. Burrell for his presentation.

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.

Councilman Alderman moved to approve 3A and 3C. Seconded by Vice Mayor Wilshire.

Motion carried.

- B. AUTHORIZATION FOR THE CITY MANAGER TO SUBMIT AN APPLICATION TO THE ARIZONA STATE RETIREMENT SYSTEM FOR PARTICIPATION IN THE STATE'S SUPPLEMENTAL SALARY DEFERRAL PLAN 457(B) ADMINISTERED BY THE STATE'S CONTRACTOR TIAA / CREF FINANCIAL SERVICES (Kane Graves / Teresa Williams)

Councilman Wheeler asked for more information on this item.

Finance Director Teresa Williams stated that the Arizona State Retirement System now offers a Deferral Plan 457B administered by a contractor TIAA – CREF Financial Services. She stated that the cost points are lower than the current deferral contracts held by the City and it is a voluntary option to participate.

Vice Mayor Wilshire moved to authorize the City Manager to submit the signed application to the Arizona State Retirement System for participation in this new Deferral Plan. Seconded by Councilman Alderman.

Motion carried.

- C. Consideration of Approval of Council Minutes:
1. Regular Meeting Minutes of November 15, 2010
  2. Regular Meeting Minutes of November 22, 2010

Passed.

- D. Accounts Payable

Councilman Alderman moved to approve the accounts payable item with the addendum presented for an additional \$4,630.04. Seconded by Councilwoman Uhl.

Motion carried.

4. NEW BUSINESS

- A. **RESOLUTION NO. 1592** - A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, GILA COUNTY, ARIZONA AUTHORIZING THE TRANSFER OF FUNDS FROM THE MAYOR AND COUNCIL CONTINGENCY BUDGET ITEM IN THE CITY BUDGET ADOPTED BY COUNCIL. (Teresa Williams / Kane Graves)

City Clerk Gina Paul read the caption of Resolution No. 1592.

City Manager Graves stated that this is routine to cover departments that have exceeded their budgets to pull the excess from contingency.

Next meeting for consideration.

B. **RESOLUTION NO. 1595** - A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, ARIZONA, APPROVING THE SIXTH AMENDED INTERIM EMERGENCY FIRE INTERGOVERNMENTAL AGREEMENT WITH THE TOWN OF MIAMI PURSUANT TO A.R.S. 11-951 ET. SEQ. (Al Gameros / Kane Graves)

City Clerk Gina Paul read a caption of Resolution No. 1595.

City Manager Kane Graves stated that this would be the 6<sup>th</sup> amended Emergency Interim Fire IGA with the Town of Miami. He stated that this service has gone longer than expected when we were 1<sup>st</sup> approached by the Town of Miami. This agreement will be for an additional 90 days of coverage commencing on January 4, 2011 with additional requirements by Fire Chief Al Gameros.

Fire Chief Gameros stated that Miami has a new fire truck and is in the process of training volunteer firefighters through the College program. He stated that Leadership for Tri City has changed; they now have a new elected fireboard. Tri City has not been able to assist Miami with fires in the past and negotiations between Miami and Tri City are continuing. He stated that Miami has a half million dollars in inventory to their department and a couple of firefighters that are dedicated and not receiving any compensation for their time.

Vice Mayor Hanson of the Town of Miami addressed the Council stating that they are continuing their discussions with Tri City Fire. She stated that the Town is very proud of the many volunteers that they have. She thanked Globe for their help and service to the Town of Miami, thanking Globe for being there for the Town of Miami.

Councilman Wheeler moved to waive the meeting rules. Seconded by Councilwoman Uhl.

Motion carried.

Councilman Wheeler moved to approve the 6<sup>th</sup> amended Intergovernmental Agreement with the Town of Miami. Seconded by Vice Mayor Wilshire.

Motion carried.

C. Discussion and Consideration of Post Retirement Health Benefits (Kane Graves / Teresa Williams)

City Manager Kane Graves stated that this matter came to our attention by 1 or more council members. He stated that because we fund Post Retirement benefits that the City has to have an actuarial study done and the cost for this is \$7,000. He stated that the Council voted to fund post retirement benefits for retirees in 2009.

Finance Director Teresa Williams stated that according to the audit, the city paid \$49,000 last year for 8 Retirees for Retirement Benefits. She explained GASB requires that an actuary be done, stating that GASB decided that this is not a good idea and that there is liability to these benefits and that they should show up on financial statements. The actuary must be done every 3 years. She stated that the City has an unfounded liability of \$846,000, if the city keeps the retirement plan we have to place this money in a separate account and trust fund. She explained that

GASB requires the City to fund pension assuming every employee would qualify for these benefits. She stated that she needs feedback from the Council prior to the actuary being prepared.

Councilman Wheeler stated that we still have a commitment to the retirees.

Mr. Graves explained Resolution no. 1499 states that this commitment is subject to the availability of funds. He stated that we can terminate these benefits by adopting a new resolution to rescind Resolution No. 1499 and this would get us out of this commitment.

Ms. Williams stated that currently we don't have to show this in a trust fund, if GASB changes and require that we fund it, we would have to take 1 million off our books and show this benefit as an expense.

Councilman Alderman stated that we have to look at the long term effect, this is going to be a constant drain on our general fund and we have to support this, but we do have an option and we are not bound to hold to Resolution No. 1499.

Vice Mayor Wilshire asked if we could bring these employees under the City's Health Plan.

Ms. Williams stated that the retirees were released from our plan to keep our premiums down and the City is giving them something for this.

Mayor Shipley stated that we made a promise to these retirees and if we change this, we change it now and move forward.

It was the consensus of the Council to direct the City Manager to order the actuary in the amount of 7,000 and maintain the benefits.

Mr. Graves stated that he will order the actuary and report the findings back to the Council when it is received.

5. ACTION ITEMS

- A. **RESOLUTION NO. 1594** - A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, ARIZONA, APPROVING THE AMENDED INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF GLOBE AND THE STATE OF ARIZONA PERTAINING TO THE GLOBE GATEWAY PHASE II PROJECT AT US 60 AND OAK STREET AND U.S. 60 AND HILL STREET PURSUANT TO A.R.S. 11-951 ET. SEQ. (Kane Graves)

Vice Mayor Wilshire moved to approve the amended IGA with the State of Arizona for the Gateway Phase II project. Seconded by Councilman Alderman.

Motion carried.

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.

None.

7. SCHEDULING OF MEETINGS:

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

Council Retreat: 1/8 Saturday / 9 – noon at Besh Ba Gowah  
Cancel Meeting for December 27.

8. EXECUTIVE SESSION.

Vice Mayor Wilshire moved to adjourn into Executive Session. Seconded by Councilman Alderman.

Motion carried.

The Council adjourned into Executive Session at 8:00 p.m.

A. Confidentiality Statement.

B. Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee pursuant to A.R.S. 38-431.03(A)1

1. City Magistrate

C. 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. Medical Marijuana Dispensaries / RFP

D. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, pursuant to A.R.S. 38-431.03 (A) 7

1. Discussion of possible purchase, sale or lease of municipal real property.

The Council adjourned from Executive Session and into Regular Session at 9:07 p.m.

9. ADJOURNMENT.

Vice Mayor Wilshire moved to adjourn the meeting. Seconded by Councilman Baker.

Motion carried.

The meeting adjourned at 9:10 p.m.

SCHEDULED MEETINGS / EVENTS:

REGULAR MEETING December 20, 2010  
REGULAR MEETING December 27, 2010  
COUNCIL RETREAT January 8, 2011  
REGULAR MEETING January 10, 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 13<sup>th</sup> day of December, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

---

Gina A. Paul, CMC, City Clerk