

CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

March 8, 2016 6:00 P.M.

The meeting was called to order by Mayor Wheeler at: 6:00 pm.
The Invocation was given by: Councilman Lerry Alderman
The Pledge of Allegiance was led by: John Naylor

ROLL CALL

Present: Mayor Terence O. Wheeler (Not voting), Councilman James Haley, Councilman Mike Humphrey, Councilwoman Roberta Johnson, Councilman Mike Stapleton, Vice Mayor Eric Mariscal, Councilman Lerry Alderman.

1. PUBLIC HEARING FOR LIQUOR LICENSE

- A. Open Public Hearing.
- B. Consideration and Discussion for Arizona Department of Liquor Licenses Class 10 Liquor License for Jodi Lynn Vurnovas dba Good 2 Go Stores, LLC located at 1501 E. Ash Street, Globe, Arizona.
- C. Open Discussion and Public Comment regarding the above mention Liquor License.

No public comment or Council discussion.

- D. Close Public Hearing.

Motion: Close Public Hearing, **Action:** Close Public Hearing, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

- E. Consideration of Council to Approve or Disapprove the Class 10 Liquor License for Good 2 Go Stores, LLC.

Motion: Approve the Arizona Department of Liquor Application for Jodi Lynn Vurnovas dba Good 2 Go Stores, LLC located at 1501 E. Ash, Globe, Arizona., **Action:** Approve, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilwoman Roberta Johnson.
Motion passed unanimously.

2. SUMMARY OF CURRENT EVENTS:

- A. Council Members

Councilman Lerry Alderman – no report.

Councilman James Haley – no report.

Councilwoman Johnson attended the Rotary's; Casino Night at Bullion Plaza and it was fun.

Vice Mayor Eric Mariscal – no report.

Councilman Mike Humphrey – no report.

Councilman Stapleton thanked everyone for supporting the Copper Hen and reminds everyone that there are still downtown gardens that need to be adopted and planted hopefully before the Home Tour.

B. Mayor

Mayor Wheeler mentioned that Jerry Barnes has been doing a great job as Interim City Manager. Paul Jepson, who in attendance tonight will start at the new City Manager on March 21st. Mayor Wheeler also met with Richard Rosales with APS regarding the downtown lights and Mr. Barnes will give a report of the meeting. Lastly Mayor Wheeler congratulates Councilman Stapleton on his new restaurant and stated that when you leave your appetite will have been destroyed.

C. City Manager

Interim City Manager Barns thank the Council for the opportunity and updates Council and the public with department reports:

- Finance Department is advertising for Accountant II position.
- US 60 project schedule has been delayed with many challenges. Hook ups should be completed by the 16th and the new asphalt will be done the week of March 21st.
- Water projects; Hagen tank, Well #4 and the PRV's are all progressing and the water line is complete at Ruiz Canyon.
- WWTP electric upgrade and belt press couple are almost complete.
- Fire Department; Interim Chief Gary Robinson has received his Master's in Public Administration.

3. **SPECIAL PRESENTATIONS AND CEREMONIAL MATTERS:** Presentations, Proclamations, Awards, Guest Introductions and Announcements

A. Presentation of the FY2014-2015 Financial Audit. (John H. Naylor, CPA,PC)

Mr. John Naylor, CPA is before Council with the FY2014-2015 Financial Audit. Mr. Naylor presents a Qualified Clean Report for the City of Globe. The City's assets exceeded its liabilities by \$5,104,087 for the fiscal year reported. Capital assets of \$10,058,505 include property and equipment. \$2,817,634 of capital was contributed by the general fund to the Water and Sewer Enterprise Funds. The City's governmental funds reported a total ending fund balance of \$4,347,391 this year. This compares to the prior year total ending fund balance of \$4,113,942 showing an increase of \$233,449 during the current year. Situations with accounting software are improving and the reporting was better in the year past. Mr. Naylor

Due to the recession and poor rate of investment return over several years, the City's share of the net pension liability for Public Safety Personnel Retirement System has accumulated to \$6,068,392 for the police and \$4,414,640 for the firefighters and must be shown as a liability on the city's government-wide financial statements. This is a significant detriment to the City.

Mr. Naylor thanked the Mayor and Council; he also thanked staff for the immediate attention they always provide assisting with the audit.

B. Recognition of Fire Department Personnel, Fire Marshall Joe Bracamonte and K9 Evo. (Deputy Fire Chief Gary Robinson)

Interim Fire Chief Robinson recognized Fire Marshall Joe Bracamonte and K9 Evo for their efforts to train and keep certified with the North American Police Dog Association. They have been a certified team since 2011 and since that time; K9 Evo has been on 160 deployments including statewide investigations. Recently they were deployed with a FBI Homicide investigation. Joe and K9-Evo are also busy in the schools with public education.

Fire Marshall Bracamonte thanks Council for their support and also thanks Sheriff Shepard for training opportunities. Fire Marshall Bracamonte thanked Chief Mark Nipp and Lt. Rosann Moya for a strong Police presence at a recent fire investigation on Euclid Hill. Sgt.'s Castaneda and Haines lead the investigation and within 52 hours an arrest was made. In fifteen years as the Fire Marshall Mr. Bracamonte has never had as much support from the Police Department.

C. Introduction of New Employees: (Interim City Manager Jerry Barnes)
Police Department: Marissa Avalos, Officer Jason Fajardo, Officer Katrina Kjellstrom; Public Works Dept.: Frank Moreno, Gabriel Andrade and Aaron Casillas; Active Adult Center: Tina Gonzales; Water Office: Angie Crago; Library: Melissa Williams.

Introduction of New Active Adult Center Director: Tamera Guerin

Department Heads; Ken Sellick, Jodi Martin, Adrea Ricke, Tamera Guerin and Chief Nipp introduce their new employees respectfully to Council.

D. Presentation of Financial Report from the Globe-Miami Chamber of Commerce; Bed Tax Recipient. (Ellen Kretsch)

Globe-Miami Chamber of Commerce Director; Ellen Kretsch introduces Board Members; Cathy Williams from APS and Gary Murray from Apache Gold Casino. Ms. Kretsch presents an overview of Chamber activities for FY2016. The Chamber is a state certified visitor center with 250 members. Funding sources are memberships, grants and bed tax and special events revenue. The bed tax is 20 percent of the Chamber's annual budget; the annual budget is used for operating expenses and the promotion of our community. The Chamber hosts thousands of visitors each year, makes hundreds of referrals to local vendors and reaches out with hundreds of mailings. Ms. Kretsch on behalf of the Chamber thanks the Council for their continued support.

- E. Presentation of the Learning Partner Program with Columbia Southern University. (Chief Mark Nipp)

Police Chief Nipp presents Columbia Southern University Learning Partner Program. CSU currently has over 2700 Learning Partners. Learning Partners are corporation or government entitles that participate to enhance the educational opportunities of their employees. This program is free and promotes education. Council fully supports this program and Chief Nipp will continue to provide the material to City employees.

4. **CONSENT CALENDAR:** Matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. Public Hearing items are designated with an asterisk (*). Prior to consideration of the Consent Agenda, the Mayor will ask whether any member of the public wishes to remove a Public Hearing item for separate consideration. Members of the Council and or staff may remove any item for separate consideration.

- A. Consideration of Waiver of Section 2-4-10 (A) [prior discussion rule] to allow action on the balance of the consent Agenda:

1. Accounts Payable 333,999.04

- B. Consideration of Approval of Council Minutes:

Regular Meeting Minutes February 23, 2016.

- C. Consideration of #GS-2016-15; Automatic 3 Year Renewal to Contract for Consulting Services for Water and Wastewater with EUSI. (Ken Sellick)

- D. Consideration of #GS-2016-13; Contract with Agate Steel in the amount of \$24,096.60 for Building Purchase for Belt Press Operations at the Wastewater Treatment Plant. (Frank Baroldy)

Motion: Approve the Consent Calendar as read. **Action:** Approve, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilman Lerry Alderman. Motion passed unanimously.

5. **NEW BUSINESS:**

- A. Consideration and Discussion of FY2014-2015 Final Audit. (Joseph Jarvis)

Finance Director Joseph Jarvis would like to note that staff spent within our means and all the funds were in the black. Mr. Jarvis thanked the Mayor and Council for their support. This audit was presented one month earlier than last year and it is anticipated that the audit preparation will begin September 1st for FY 2016.

Councilman Haley mentioned some concern regarding the noted deficiencies in the Volunteer Fireman Pension Fund. Approval of the Audit would also approve the recommendations made by Mr. Naylor regarding this fund was one question from Councilman Haley. Interim Jerry Barnes informed Council that it would be Council direction to address the condition of this fund; approval of the audit would not do that.

Mayor Wheeler thanked Mr. Jarvis for all his hard work and directed this item back at the next regular meeting for approval. Council was given the audit documents for review.

B. Consideration and Discussion of #GS-2016-08; FY2016-2017 Budget and CIP.
(Joseph Jarvis)

Mr. Jarvis reported that the budget work session on March 1st was a very successful meeting. A number of important items were discussed and he appreciates the direction and comments from Council. The next budget work session is scheduled for March 15th and it is a public meeting. Mr. Jarvis told Council that he intends to have Segal present their annual renewal report at the March 29th budget work session. Segal has proposed up to a 10.1 % increase in benefits.

C. Consideration and Discussion of #GS-2015-20; Authorize the City Manager to Amend Existing Agreement with Seller & Sons, Inc. to Increase Owner's Contingency for Asphalt repairs required by ADOT.
(Jerry Barnes and Paul Hendricks)

Interim City Manager Jerry Barnes informed Council that agreements were made with ADOT to facilitate the waterline project. ADOT had addition requirements that required some patching for repairs and also at some areas near bridging. New striping was also required. This will mean an additional \$65,000 from contingency if needed. Mr. Barnes asked the Council to waive the rules and approve.

Mayor Wheeler reminded that it saved the City about \$2m dollars and 18 months to be able to install the water line along US 60. Mr. Barnes said that the City was very fortunate and that paving would start the week of March 21st.

Councilman Humphrey confirmed that this was WIFA funding.

Motion: Waive the prior discussion rule., **Action:** Waive Prior Discussion, **Moved by** Councilman Lerry Alderman, **Seconded by** Vice Mayor Eric Mariscal.
Motion passed unanimously.

Motion: Approve the amendment with Seller and Sons with a cap in the amount of \$65,000., **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilwoman Roberta Johnson.
Motion passed unanimously.

6. **ACTION ITEMS:**

- A. Consideration of Settlement Agreement between the City of Globe and Arizona Water Co. (Attorney Gary Hayes)

Interim City Manager Jerry Barnes; upon direction of the City Attorney informed Council to table this item until the pending language of the Settlement Agreement is negotiated.

Motion: Table this item pending said motion. **Action:** Table, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton. Motion passed unanimously.

Request to speak card from Mike Radanovich. Mr. Radanovich voiced concerns with low water pressure in the Fry's area. He owns land there and is trying to develop and has lost tenants and businesses due to the low water pressure.

Mayor Wheeler informed Mr. Radanovich that this was very unfortunate and that the service area belonged to Arizona Water Company. Mayor Wheeler directed Mr. Barnes to meet with Mr. Radanovich for further discussion.

- B. Consideration of Contract Amendment with EUSI for Program Management Service in the amount of \$156,009.00 for WIFA Loan Projects through July of 2017. (Ken Sellick and Frank Baroldy)

Mr. Sellick is back before Council seeking approval the Contract Amendment with EUSI for Program Management Services for the WIFA Project.

Mr. Barnes updated Council that this item is an automatic 2 year renewal for Program Management for the WIFA projects. In the third year the price is to be determined. The expediency of the projects has pushed the third year forward and this amendment is for the remaining 17 months of the projects. The City was mandated to spend \$3M by the first of 2016.

Councilwoman Johnson clarifies that the remaining \$2M will be spent by June 2017. Mr. Barnes confirms that there is a fourth year contingency that would not be needed if the project is completed by 2017.

Motion: Approve the Amendment with EUSI for Program Management Services in the amount of \$156,009.00 for WIFA projects through July, 2017., **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton. Motion passed unanimously.

- C. Consideration of #GS2015-24-A; Contract Amendment in the additional amount of \$13,560.30 with EUSI; required for the additional time for the US 60 Waterline Project; project completion date is now March 9, 2016. (Ken Sellick and Frank Baroldy)

Frank Baroldy is back before Council seeking approval of the contract amendment with EUSI in the amount of \$13,560.30 for the additional time to complete the US 60 Waterline Project. It is now anticipated that the project will be complete the week of March 25th.

Motion: Approve the amendment with EUSI in the amount of \$13,560.30 also amending the completion date to March 25th., **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton. Motion passed unanimously.

- D. Consideration of Ordinance No. 832 Amending the City Code; Article 9-4, Section 9-4-5-A; When Deposits are Required for Utilities. (Chris Collopy)

ORDINANCE NO. 832 AN ORDINANCE OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA, AMENDING THE GLOBE CITY CODE ARTICLE 9-4, SECTION 9-4-5-A WHEN DEPOSITS REQUIRED THERETO; ADOPTING SUCH ORDINANCE BY REFERENCE; REPEALING ANY AND ALL OTHER ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING FOR PENALTIES FOR THE VIOLATION THEREOF.

Interim City Manager Jerry Barnes reads Ordinance No. 832 into the meeting for the final time and the Council is satisfied with the reading.

Motion: With no further discussion approve Ordinance No. 832 as read., **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton. Motion passed unanimously.

7. 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 will be limited to **three minutes per person** and shall be addressed to the City Council as a whole, and not to any individual member. **Please complete a "Request to Speak Card", located with the Agendas at the rear of the Council Chambers and turn it in to the City Clerk prior to the beginning of the meeting.** 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.

Motion: Adjourn into Executive Session at 7:21 pm., **Action:** Adjourn, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilman James Haley. Motion passed unanimously.

8. EXECUTIVE SESSION:

- A. Confidentiality Statement.

B. Discussion or consultation with the attorneys of the public body for legal advice and in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation. Pursuant to A.R.S. Section 38-431.03 (a) (3), (4) & (a) (7)

1. Arizona Water; receive legal advice from the City Attorney and outside counsel and to give the City Attorney and outside counsel direction in connection with the dispute with Arizona Water Company regarding water service provided to customers in the Globe area. Following the executive session the Council may take action in open session to give the City Attorney direction regarding such dispute.
2. Legal advice and direction regarding Water Effluent Agreement with Inspiration Copper.
3. Legal advice and direction regarding Resolution No. 1573, Leases and the Intergovernmental Agreement with Gila County.
(Downtown parcels #208-03-074 and #208-03-075)
4. Legal advice and direction regarding (2) ADOT Enhancement Grant's awarded to the City of Globe for Lease #AZER000103.
5. Legal advice and direction regarding #GS-2016-14; Amster Building lease agreement.
6. Legal advice and direction regarding #GS-2015-17; Lease Contract for Parcel # 208-08-007B.

C. 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)(2),(a)(3)&(a)(4)

1. Fire Chief Applications and Interviews

Regular Meeting reconvenes at 8:34 pm.
Nothing to report.

Motion: Adjourn regular meeting at 8:34 pm., **Action:** Adjourn, **Moved by** Councilman James Haley, **Seconded by** Councilman Lerry Alderman.
Motion passed unanimously.

9. SCHEDULING OF MEETINGS:

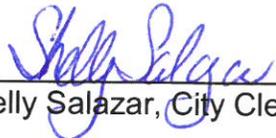
Scheduling of meetings, which may be brought up at this time.

10. ADJOURNMENT.

Jh and Ia motion to adjourn at 8:34 pm.

SCHEDULED MEETINGS / EVENTS:

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 March, 2016. I further certify that the meeting was duly called and held and that a quorum was present.



Shelly Salazar, City Clerk