

CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

April 26, 2016 6:00 P.M.

The meeting was called to order by Mayor Wheeler at: 6:07 pm.

The Invocation was given by:

The Pledge of Allegiance was led by:

ROLL CALL

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

Absent/Excused: Councilman Mike Humphrey.

1. SUMMARY OF CURRENT EVENTS:

A. Council Members

Councilman Alderman commended Chief Nipp, Ceci Bernal and City Staff on the challenge of the ATV Jamboree. Staff extended themselves and be above and beyond. Next Councilman Alderman announced that the VA Health Group had their grand opening on April 25th. The Group was scheduled to present tonight but are unable to attend. Closing, Councilman states that he appreciates the fact that the VA Health Group chose this community to serve all residents.

Councilman Haley commends Ken Sellick and Dave Kemp for their exemplary customer service provided at the Copper Rim Elementary School. The School was closed today because they had no water. Councilman Haley along with staff met with the school and determined that there was no change in delivery on the City's side to the location. With the cooperation of School Superintendent Jennex; it was determined that the School had installed a new valve that unfortunately drained the tank.

Councilwoman Johnson echoes the praises for the ATV Jamboree. It was a quality event.

Vice Mayor Mariscal reported that comments from citizens indicated that they are happy to see that the US 60 project is finished.

Councilman Stapleton asked for continued prayers for Councilman Mike Humphrey. The Globe Clean and Beautiful mile clean up along with EDC will be the end of May and the group is putting together a team to get rid of graffiti and clean up in the alley ways.

B. Mayor

Mayor Wheeler welcomed prayers and card for Councilman Humphrey and wishes him well as he is missing his favorite time of year; hunting turkey.

Mayor Wheeler introduced the new president of the Cobra Valley Center for the Arts; Leslie Kim.

Leslie Kim thanked the Mayor and Council and stated that she visited Globe almost a decade ago and the Center made a very positive impression as a very beautiful building. Ms. Kim was also impressed that the Center was able to accomplish so much with very little and that such a small town had so much talent. Closing Ms. Kim stated that the Center's greatest gift was the potential to create possibilities that never existed before and she looks forward to a partnership with the City of Globe.

Mayor Wheeler announced that May 1st; the Nascar Kyle Petty Charity Ride across America will be passing through Globe.

City Manager Paul Jepson informed the meeting that Mayor Wheeler received an email informing him that the Charity Ride would be making a pit stop in Globe with over 200 motorcycles riders riding as part of this year's event. Traveling with will be the following Celebrities: NASCAR Hall of Famer and seven time champion Richard Petty, 2017 NASCAR Hall of Fame nominee Hershel McGriff, NASCAR legends Harry Gant and Donnie Allison, Former MFL great Herschel Walker, Retired Lieutenant Colonel Allen West and NBC Sports NASCAR personalities Rick Allen and Rutledge Wood. The group will be available to meet with the Mayor, Councilmembers, and members of the media and the general public to build support for Victory Junction, a camp dedicated to providing life-changing camping experiences for children with chronic or life-threatening illnesses.

Mrs. Karen Kooney-Gotto presents the Mayor and Council with letters from her Destine School; second grade class thanking Librarian; Adrea Ricke. Mrs. Kooney-Gotto told Council that Mr. Ricke was exceptional with the service she provides to her class. Ms. Ricke's Master in Library Science shows in every innovated and fun activity she provides.

C. City Manager

City Manager Paul Jepson invited Library Director; Adrea Ricke to report on Library activities.

Ms. Ricke thanks the Council the opportunity to report on National Library Week; over 250 community members shared reasons why the library is important to the community. Participants won baskets filled with gift certificates. The Friends of the Library were thanked for cleaning the library and providing breakfast for staff as well as the Copper County News and the Arizona Silverbelt for publishing events week after week.

Mr. Jepson reported that the well head was removed from Well #4 and the test went well with flow. The equipment has been ordered and should be installed soon.

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

A. Presentation of Proclamation; Proclaiming May 14, 2016 as Letter Carriers' Food Drive Day. (Mayor Wheeler)

Mayor Wheeler reads the Proclamation into the meeting and presents to Thomas Stallings of the Globe USPO.

Mr. Stallings reports to Council that food that is collected locally stays locally. Letter Carriers and Clerks pitch in and come out to participate in the collection of the food.

- B. Presentation of the VA Healthcare Group.
(V. Vince Oganessian; Chief Operating Officer and Elizabeth Alderman)

Mayor Wheeler announces that item B will not be presented.

- C. Presentation of Project Update by Resolution Copper Mining.
(Diego Ortega, General Manager for Communities and Social Performance)

Jim Schenck of Resolution Copper thanked the City of Globe Council and the Citizens of Globe. Resolution is committed to safety and that the accident rate is below the national average. In 2014 the land exchange was passed and reached 6943 feet in the #10 Shaft making is the deepest single left shaft in the world. When Resolution goes into production it will be one of the largest copper producers in the United States, producing between 25% and one third of the copper in the United States. Resolution is currently an Advance Exploration Project and will be the largest single investment company in Arizona. Six to eight (\$6-8B) billion dollars will be spent before they produce copper with 100 direct employees and 60-70 local contractors in the copper triangle. The principle contribution that Resolution has made to Globe is Bryan Seppala. Bryan's dedication to Globe pre dates his employment with Resolution. Bryan is an asset to Resolution Copper and Bryan's energy is used for Globe. Construction will employ 3000 people in 3 years, and production will employ 1400 direct. A Notice of Intent was sent out by the US Forest Service and Resolution is currently in the permitting process which will take approximately 5 years. The first part of the process is public involvement (scoping). The USFS solicits comments from the community regarding issues that need to be examined regarding environmental issues. The NEPA process is discussed regarding the meeting dates. Mr. Schenck thanks the City and asks the public to send comments including Councilmembers regarding the Resolution Project.

- 3. **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 \$489,475.93
2. Consideration of Approval of Council Minutes:

- B. Consideration of #GS-2016-27; Request for Extension of Memorandum of Understanding between Copper Cities Youth Sports and the City of Globe. (Chris Collopy)
- C. Consideration of #GS-2016-26; Pinal-Gila Council for Senior Citizens, Contract Amendment #3. (Joseph Jarvis)

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

4. NEW BUSINESS:

- A. Consideration and Discussion of FY2016-2017 Budget.
(Joseph Jarvis and Paul Jepson)

Finance Director Joe Jarvis announced that there will be a budget work session on May 3, 2016. The Tentative Budget will be before Council on May 10, 2015 for consideration and back on May 24, 2016 for the public hearing and possible adoption. The final budget will be presented and considered.

Mayor Wheeler and Council thanked Finance Director Jarvis for his effort in the budget process.

- B. Consideration and Discussion of #GS-2016-25; FY2016-2017 Employee Benefit Renewal Options. (Joseph Jarvis)

Finance Director Joe Jarvis reported that the City of Globe provides benefits to the City of Globe employees. The City of Globe has a contract with Segal Consulting to manage the City's employee's insurance companies. With the assistance of Segal we have received our renewal proposal for FY16-17. Originally, the BCBS renewal was at 10.1%. However, Segal was able to negotiate the renewal rate down to 8.5%, Mutual of Omaha 0% increase, MetLife 7% increase and VSP 0% increase.

As the Council is aware, the City has participated in the Retention Accounting Program. This balance increases when our fees for services are below the premiums paid. As of 2016, the City has a surplus greater than \$700,000. In order to assist employees in covering the cost of the increase, the City Council discussed utilizing the surplus to provide a premium holiday to employees and the City for 1 to 3 pay periods. The BCBS increase will be equal to \$109,842. This is equal to one month of premiums.

City Administration recommends that the City Council consider utilizing their savings to provide one to three premium holidays. If approved, the holidays would likely occur in July, November and/or December.

If the recommendation is approved, then the Retention Accounting fund balance would decrease, each enrolled employee would not be charged for a premium, and the City would also not be charged a premium.

Councilman Haley suggested the last pay period in November and first two pay periods in December consecutively. This is a way of covering the 8.5% increase for employees.

Councilwoman Johnson comments that with the premium holiday, the city would still retain over \$500,000 in the surplus.

Mr. Jarvis announced that open enrollment will be May 26, 2016 and a hearing aid program has been added to our vision plan. The Anesthesiologist issue has been brought to the attention of the hospital and BCBS. The local anesthesiologist are not a covered service with BCBS. BCBS is currently reviewing options.

Council wants this item brought back.

C. Consideration and Discussion of #GS-2016-19; Auto Aid Agreement between Tri City Fire and the City of Globe Fire Department. (Fire Chief Gary Robinson)

Fire Chief Robinson informed Council that for years, the Globe Fire Department has been working closely with the Tri-City Fire District to provide adequate responses to emergencies within the city and surrounding areas. In many cases, such as reported structure fires, this aid is provided automatically. All agencies are dispatched simultaneously to ensure adequate resources arrive to allow for rapid mitigation of a problem. This agreement simply formalizes the process and sets the parameters for how the need for these types of responses will be determined. It sets the legal parameters that should be met by both agencies as we work to provide the best service possible to the residents of the community.

This item will be brought back at the next meeting for approval.

D. Consideration and Discussion of #GS-2015-20; Amendment to Sellers & Sons Contract extending US 60 Project Completion date to May 16, 2016. (Ken Sellick and Paul Hendricks)

Water/Wastewater Superintendent; Ken Sellick request approval of the City of Globe to increase the owner's contingency due to the ADOT requirements and extend the project through May 16, 2016. The requested amount is \$72,938.11; funds will come from WIFA Loan Project Funds.

Paul Hendricks with EUSI confirmed Council's question that the \$72,938.11 will complete the project with Sellers & Sons. Work will be completed the first week of May.

Motion: Waive the prior discussion rules and approve the request to increase Council's contingency in the amount of \$72,938.11 to complete the Sellers & Sons contract for the US 60 Waterline project., **Action:** Approve, **Moved by** Councilwoman Roberta Johnson, **Seconded by** Councilman Lerry Alderman. Motion passed unanimously.

- E. Consideration and Discussion of #GS-2015-14; Amendment to EUSI Contract extending Construction Services for the US 60 Project Completion date of May 16, 2016. (Ken Sellick and Paul Hendricks)

Ken Sellick request approval of the City of Globe to increase the owner's contingency due as part of the design approved by ADOT, the City agreed to repair certain areas of the roadway that had been damaged during the numerous repairs to the old waterline. The requested amount is \$29,646.00 to complete the EUSI contract for construction services for the additional time.

Motion: Waive the prior discussion rules and approve the amendment to EUSI contract in the amount of \$29,646.00. **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Vice Mayor Eric Mariscal. Motion passed unanimously.

- F. Consideration and Discussion of #GS-2015-18; Bid Award to Controlled Energy Engineers, LLC for Engineering Construction Inspection Services for the Water System's Supervisory Control and Data Acquisition (SCADA) Upgrade. (Ken Sellick and Paul Hendricks)

Ken Sellick request Council consideration to authorize the City Manager to negotiate a contract with Controlled Energy Engineers LLC for the Engineering Construction Inspection Services needed for the Improvements to the City of Globe SCADA System. The City of Globe operates a water system that depends on a SCADA system that automatically control water delivery from the wells in the Cutter well field and alerts City personnel when there is a problem at any well, booster station and or water storage tanks. The existing system has been experiencing a significant amount of failures and many of the components are no longer available when they fail. The City of Globe conducted a public procurement process and selected Controlled Energy Engineers as the most qualified contractor to perform this work. WIFA funds will be used for this project.

Paul Hendricks explains to Council that that the construction services is out for bid and will bid on May 6th. It is requested of Council to consider this contract so that Controlled Energy Engineers will be available to attend the bid opening and advise on the technical natures. The amount of this contract has a limit of 8% of the SCADA Contract Value plus a 10% Owner Contingency. WIFA funds will be used for this project.

Finance Director Joe Jarvis confirms at Council's request that as of December \$3M of forgivable debt has been spend and the remaining \$2.5M will be spent by July 2017. Mr. Jarvis also stated that Staff has and will continue to meet WIFA requirements.

Council directs staff to bring this contract back with actual amounts.

5. **ACTION ITEMS:**

- A. Consideration of #GS-2016-21; Resolution No. 1741; Supporting the All-Mail Election for the August 30, 2016 Primary Election and the November 8, 2016 General Election. (City Clerk; Shelly Salazar)

RESOLUTION NO. 1741 – A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA, PROVIDING PROCEDURES FOR AND AUTHORIZING THE CITY CLERK TO CONDUCT THE AUGUST 30, 2016 PRIMARY ELECTION AND NOVEMBER 8, 2016 GENERAL ELECTION AS “MAIL BALLOT ELECTIONS” PURSUANT TO A.R.S. § 16-409(A).

City Clerk; Shelly Salazar reads Resolution No. 1741; authorizing the August 30th and November 8th Election as Mail Ballot Elections into the meeting for the final reading and Council is satisfied with the reading.

Motion: Approve Resolution No. 1741, **Action:** Approve, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilwoman Roberta Johnson.
Motion passes with one nay.

- B. Consideration of #GS-2016-21; of Resolution No. 1735 and Resolution No. 1736; Call of Election. (City Clerk; Shelly Salazar)

RESOLUCION NO. 1735 – UNA RESOLUCION DEL ALCALDE Y DEL CABILDO DE LA CIUDAD DE GLOBE, ARIZONA DESIGNANDO LA FECHA DE ELECCION Y EL PROPOSITO DE LA ELECCION; DESIGNANDO UNA FECHA LIMITE PARA REGISTRARSE PARA VOTAR; Y DESGNANDO EL LUGAR Y LE FECHA LIMITE PARA QUE LOS CANDIDATOS PRESENTEN LOS FORMULARIOS DE NOMINACION.

RESOLUTION NO. 1736 - A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, ARIZONA, DESIGNATING THE ELECTION DATE AND PURPOSE OF ELECTION; DESIGNATING THE DEADLINE FOR VOTER REGISTRATION; DESIGNATING THE PLACE AND THE LAST DATE FOR CANDIDATES TO FILE NOMINATION PAPERS.

City Clerk; Shelly Salazar reads Resolution No. 1736 into the meeting for the final time Calling the Fall 2016 Election dates of August 30th and November 8th, 2016 for the election. The Council is satisfied with the reading.

Motion: Approve Resolution No. 1735 and 1736, English and Spanish translations per Arizona Revised Statues. , **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

Vice Mayor Mariscal called for a Point of Order in that item F also referred to Resolution No. 1735. City Clerk Salazar; for the records, corrected the Resolution No. to 1741 and asked the Mayor and Council to table this item as staff was unable to contact the affected parties regarding the meeting.

Motion: Table Item F under the Action Agenda due to the fact that the interested parties were not contacted. , **Action:** Table, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

- C. Consideration of #GS-2016-20; Letter of Agreement between the City of Globe Fire Department and Eastern Arizona College for Educational Programs. (Chief Gary Robinson)

Motion: Approve the Agreement between the City of Globe and Eastern Arizona College for Educational Training for with the Globe Fire Department. , **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Vice Mayor Eric Mariscal.
Motion passed unanimously.

- D. Consideration of #GS-2016-23; Resolution No. 1740 regarding Uncollectible Water Bill Debts owed to the City of Globe.
(Water Office Supervisor; Jodi Martin)

RESOLUTION NO. 1740 – A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GLOBE, GILA COUNTY, STATE OF ARIZONA, PROVIDING FOR TREATMENT OF CERTAIN DEBTS OWED THE CITY WHICH HAVE BEEN DEEMED POTENTIALLY UNCOLLECTIBLE AND REMOVING SAME FROM THE RECORDS AS ASSETS OF THE CITY OF GLOBE AND PROVIDING DIRECTIONS FOR FUTURE TREATMENT OF SAME.

City Clerk; Salazar reads Resolution No. 1740 into the meeting for the final reading regarding Uncollectible Water Debt. The Council is satisfied with the reading.

Motion: Approve Resolution No. 1740 as presented. **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilman Lerry Alderman.
Motion passed unanimously.

- E. Consideration of #GS-2016-12 Notice of Intent to Increase Water and Wastewater Rates. (Joseph Jarvis)

Finance Director Joseph Jarvis according to the 2013 study provided by Economist.Com the City of Globe is not collecting enough revenue to maintain the water and wastewater system. The study was filed as a public document with the Clerk's office in 2013 and staff is requesting the approval to post the Notice of Intent to Increase Water and Wastewater Rates as required by State Statue. In addition to the 2013 study, WIFA and North Carolina University analysis has been done and supports that the City of Globe is not collecting enough revenue to support the water system. In 2013 Council approved a water rate increase. The City also applied for a WIFA loan to complete some improvement to the water system. The WIFA board approved a loan of \$5.5M dollars; \$3M forgivable principal only is the water and wastewater rates were increased.

Mr. Jarvis reads the notice of intent into the meeting announcing that the public meeting for water rate increase will be May 24th.

Water rates were increased 13.5% in 2013 and 13.99% in 2014. There was no increase in 2015. Mr. Jarvis informs Council that a 10.4% increase is being presented for the 2016 increase. In addition information will be added to water bills regarding the public meeting that will discuss rate amounts further.

Motion: To approve the notice of intent to increase water and wastewater rates,

Action: Approve, **Moved by** Councilman James Haley, **Seconded by** Councilman Lerry Alderman.

Motion passed unanimously.

- F. Consideration and discussion of adopting Resolution No. 1735 for the Abandonment of City Right-Of-Way Between Glance Street and North Street.
(Chris Collopy)

RESOLUTION NO. 1735 A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA, ABANDONING RIGHT OF WAY GENERALLY LOCATED BETWEEN GLANCE STREET AND NORTH STREET.

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 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 regular meeting at 7:45 pm., **Action:** Adjourn, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilman James Haley.
Motion passed unanimously.

7. 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 #GS-2015-17; Property Lease and #GS-2016-16; Fuel Card Service Contract.
3. Legal advice and direction regarding #GS2016-17; Property Lease for Cobre Valley Center for the Arts.
4. Legal advice and direction regarding the Train Depot Lease Contract related to ADOT Grants.
5. Legal advice and direction regarding a potential multiple Intergovernmental Agreements with other Municipalities for services.

8. SCHEDULING OF MEETINGS:

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

9. ADJOURNMENT.

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 26th day of April, 2016. I further certify that the meeting was duly called and held and that a quorum was present.



Shelly Salazar, City Clerk