

CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

April 28, 2015 6:00 P.M.

MUNICIPAL PROPERTY CORPORATION – ANNUAL MEETING – 5:45PM.

ROLL CALL: President Mike Stapleton, Secretary/Treasurer Eric Mariscal, Directors Terry Wheeler and James Haley.

1. Open Meeting

President Mike Stapleton opens the meeting at 5:45 pm.

2. Annual Meeting to review Annual Arizona Corporation Report.
(Shelly Salazar)

City Clerk Shelly Salazar presents the Arizona Corporation Commission Annual Report listing William J. Sims at the statutory agent and officers as follows: President; Mike Stapleton, Secretary/Treasurer Eric Mariscal; Directors Terry Wheeler and James Hales.

Motion: Approve the Arizona Corporation Commission Annual Report as prepared and stated., **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilwoman Roberta Lee Johnson.
Motion passed unanimously.

2. Adjourn Meeting

Motion: Adjourn, **Action:** Adjourn, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilwoman Roberta Lee Johnson.
Motion passed unanimously.

REGULAR MEETING – 6:00PM.

Roll Call.

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

The meeting was called to order by Mayor Wheeler at: 6:00 pm.

The Invocation was given by: Pastor Dan Rifenbark (Trinity Baptist Church)

The Pledge of Allegiance was led by: Councilman Lerry Alderman

1. SUMMARY OF CURRENT EVENTS:

A. Council Members

Councilman Alderman attended the ribbon cutting for the elevator at the Center for the Arts and Councilman thanked Mayor Wheeler for a great presentation and appreciates everyone who attended.

Councilman Haley announced a meeting for the group that is trying to start a non-profit organization to help the local homeless population on Thursday at the Train Depot at 6:00 pm.

Councilwoman Johnson stated that she had the opportunity to go on the Resolution Mining tour there were about 50 people and the tour was fascinating. Councilwoman also attended the Ruin to Ruin 5K on April 18th, with Frank Baroldy who took 3rd place in the men's division.

Councilman Mariscal also commended Mayor Wheeler on a fine speech at the elevator ceremony and stated that the elevator will be a big benefit to the Center.

Councilman Humphrey attended water training at Besh Ba Gowah and thanked the City of Globe and Frank Baroldy on behalf of the Arizona Rural Water Association of Arizona.

Councilman Mike Stapleton congratulates Kip Culver and his staff for all the work they did on the elevator project and thanked the Mayor Wheeler for an awesome job on the ribbon cutting ceremony. Councilman Stapleton also reminded everyone about the Gila Monster ATV Jamboree, Cinco De Mayo and the Mother Day Tea at the Center for the Arts. Tickets are \$25.00 for the tea and a show.

B. Mayor

Mayor Wheeler said it was such an awesome ride in the elevator he stated it goes up and it comes down and everything seemed to be in working order. Mayor Wheeler reminisced that years ago he worked in the old courthouse and that was the heart of Gila County. Mr. Mayor thanked Kip and everybody who made this project happen.

C. City Manager

City Manager Billingsley reminds everyone about the Gila Monster ATV Jamboree and the Cinco De Mayor festivities scheduled for this weekend.

Mr. Billingsley introduces the new City of Globe Library Manager Noel Neff original from Arizona. Ms. Neff has two (2) master's degrees; one in Library Science and the second one in Educational Leadership. Ms. Neff has worked for several libraries including Arizona State Library, Freeport Morence Library and was a law librarian for an International Law Firm.

Ms. Noel Neff thanks Council and states that she is happy to be in the Globe community and thinks there is a lot of potential the Globe City Library. The Mayor and Council welcome Noel.

City Manager Billingsley reminds everyone that there will be a ribbon cutting for the Disc Golf Course known at the Boneyard, May 9th from 9-11 am.

Lastly Mr. Billingsley reads a letter of accommodation from Sgt. AJ Castaneda of the Globe Police Department thanking John Angulo, Matt Asanovich, Ed Johnston and Uriel Perez for their assistance in incident on April 14th. A Semi tractor lost its cargo right in the middle of the Highway 60. Once the call was made to the Globe Police Department this crew was dispatched to the scene and quickly cleared the material.

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

- A. Presentation of Certificate of Appreciation to Sharon Winters; Gila County Landfill for assisting the City of Globe to collect 10 tons of garbage. (Councilman Mike Stapleton).

Councilman Stapleton thanks Sharon Winters for donating two roll offs from Gila County Landfill that were put in two different location of the Globe for about a month and collected over 10 tons of trash. Councilman Stapleton extends a big thank you.

- B. Presentation of the Boys and Girls Club of the East Valley; Mayor Members of the Month of March, Hannah Myers and Caden Dryden. (Mayor Wheeler)

Vice Mayor Eric Mariscal presents the certificates to the Members of the Month along with back packs. Photos are taken and a round of applauds for the children.

- C. Presentation of the Boys and Girls Club of the East Valley Globe Branch; City of Globe Proposal, FY2015-2016. (Michelle Duenas)

Michelle introduces Jill Anthony the new Director for the local Globe branch of the Boys and Girls club of the East Valley. Michelle reiterated that the Boys and Girls Club is a youth development organization with three areas of programing. The City of Globe funding supports Good Character and Citizenship Programs such as the Mayor's Members of the Month/Youth of the Year and the Torch Club. These programs teach community service, public speaking and civic leadership. The OJP Federal grant was also leveraged by the City of Globe annual funding. This grant allows ono-on-one mentoring and participation in at least two (2) Boys and Girls Club programs. Winter programs included the Payless Shoe Shopping trip and the East Valley Jamboree at the Gila County Gem & Mineral Show. Michelle thanks the Globe Council for their continued support.

- D. Presentation of FY2015-2016 Employee Health Benefits Proposal Analysis. (Amy Girado; Segal Consulting).

Amy Girado thanks the Council for the opportunity to present changes to benefits for FY 2015-2016. Ms. Girado states that there are currently 99 employees

enrolled in the Blue Cross Blue Shield Medical Plan. BCBS came forward with a renewal increase of 16.63% for the existing plan; Segal was able to negotiate this down to a 14.20% increase. Ms. Girado explains to Council that large claims this last year increased rates. Segal asked BCBS for another option and the alternate plan presented would be a 6.78% percent increase. Ms. Girado presents the changes that to the plan that would drive that deduction down. The alternate HMO Plan would introduce a coinsurance from 100% to 90% and increase Specialist and Urgent Care copays. Specialty prescriptions (4th tier) would also increase in price. The out-of-pocket maximum would remain at \$6350 for single coverage and \$12700 for family coverage.

The City reviewed dental proposals submitted and requested best and final offers from Delta Dental and MetLife along with a best and final renewal from Ameritas the City's current Dental Plan. Ameritas presented no increase to the current plan along with Delta Dental. MetLife proposed the most economical plan with an 11.5% decrease from the City's current plan with a next year increase not to exceed 7%. Ameritas currently offers a Dental Rewards Program for the City of Globe and this would be lost if we did not choose Ameritas.

Next Ms. Girado discusses vision benefit options. Vision Service Plan is the City's current provided and they presented an 15.67% increase of current services and a modest increase of 2.19% with an increase to a copay from \$20 to \$25. Mutual of Omaha the City's life insurance provider came in with no increase.

E. Presentation of the FY2013-2014 Audit. (John Naylor)

City Manager introduces long time City of Globe Auditor; John Naylor.

Mr. Naylor tells Council that it has been an honor to serve the City of Globe for all these years. Mr. Naylor reports to Council that the City's revenues exceeded the expenditures by \$165,718, despite a large decrease in revenue for the Magistrate Department due to the termination of the photo enforcement revenue and a decrease in property tax of almost \$25,000. Other reductions in revenues were City Sales Tax and licenses, permits and miscellaneous, while State Shared Revenue's increased over \$126,000. Mr. Naylor shared with Council that with decreases in revenues Council and Administration cut expenditures 3.6% to offset the decrease in revenues. Water-Sewer funds were in the red due to a huge depreciation expense for the infrastructure that was paid for through WIFA funding. Mr. Naylor outlines for Council the decrease in Payroll for the City of Globe totaling \$102,664, while fringe benefits increased due to large industrial, health claims and Fireman's pension contributions. Mr. Naylor stated that the City did a good job maintaining fringe benefits from the prior year and that the City is in a better financial position than the prior year.

Mr. Naylor acknowledges some deficiencies in procedures due to an unsuccessful financial software conversion which delayed some report reconciliation causing the FY2014 audit not to be completed until March 30, 2015.

In conclusion Mr. Naylor explains significant changes to all municipalities regarding the unfunded liability with Public Safety Retirement that go into effect June 30, 2015. These liabilities will be reflected on the City's books and could decrease the

City's financial position by about \$13 million dollars. Mr. Naylor tells Council that this is truly a crisis situation.

Councilman Haley clarifies for the public that these changes are determined at a State level and that the City is required to administer these changes.

Mr. Naylor concluded in saying that some cities and towns have gone bankrupt with this funding and that cities are going to have to come up with a method of funding which could include increasing sales tax.

F. Presentation of 2014-2015 Progress Report for Cobre Valley Center for the Arts and the Historic Globe Main Street. (Kip Culver)

This presentation was tabled due to an emergency with Kip Culver's family.

G. Presentation of 2014-2015 Progress Report for the Southern Gila County Economic Development Corporation. (Karalea Cox)

City Manager Brent Billingsley also Chairman of the Southern Gila County Economic Development Corporation informs Council that the EDC has had massive and positive changes over the past two years due in most part to the Council and the City of Globe in terms of the bed tax and also to the Executive Director Ms. Karalea Cox.

Ms. Cox reminds Council that the SGCEDC works well with other organizations and presents the Mission Statement stating that the EDC serves as a clearinghouse for organizations with complementary missions serving the area. While the City of Globe is the only direct funding source the EDC collaborates with other community and economic development organizations. Ms. Cox tells Council that during this last year the EDC has increased organizational capacity. Money in circulation involving the revolving loan program puts \$85,945 in circulation to area small business and of that \$74,585 is in Globe. Key project include assistance in the grant for the northeast sewer extension line in Globe and the Wayfinding and Signage Project. Some goals and priorities for 2015-16 are to secure additional funding sources and complete ongoing projects.

Councilman Haley thanked Ms. Cox for doing a good job despite obstacles of funding, Globe being the sole financial source. Councilman Haley also states that it might be a consideration to make this funding a City of Globe economic development fund if others are unwilling to participate financially.

Mayor Wheeler commends Ms. Cox for getting some goals done and that is has been a focus to work more regionally.

Ms. Karalea Cox appreciates what's been said and says she gets a lot of support from the Board and City Staff.

City Manager recognizes members of the board and ex official members and says it has been a very good cost benefit ratio in terms to the investment of the EDC.

H. Presentation of Proclamation proclaiming the month of April as Fair Housing Month. (Mayor Wheeler)

Mayor Wheeler reads the Proclamation and presents to fire Chief Al Gamos to be housed in the fire Department.

City Manager explains that the reason we declare Fair Housing Month is, it is a requirement of the Department of Housing and Urban Development in the development of community block grants. This year the City of Globe Council voted to apply for a grant to fund a new fire truck. Mr. Billingsley states it just seems right that the Proclamation be housed at the Fire Department.

- I. Presentation of Proclamation proclaiming May 7, 2015 at the National Day of Prayer. (Mayor Wheeler)

Mayor Wheeler reads the Proclamation and present to Pastor Dan Rifenburg; Pastor of the Trinity Baptist Church. Pastor Rifenburg thanks the Council and reads scripture from the book of II Timothy.

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

- B. Consideration of Approval of Council Minutes:

1. Special Meeting April 2, 2014
2. Regular Meeting April 14, 2015

- C. Consideration of a Special Event Liquor License for Knights of Columbus; Cinco de Mayo, May 2, 2015. (Kip Culver)

- B. Consideration of a Special Event Liquor License for Cobre Valley Center of the Arts. (Kip Culver)

Mayor Wheeler excuses himself from the meeting, Vice Mayor Mariscal calls for a motion on the Consent Calendar.

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

Mayor Wheeler rejoins the meeting.

4. **NEW BUSINESS:**

A. Discussion and consideration of the Regional Aquatic Center Public Outreach Plan. (Karalea Cox and Brent Billingsley)

With introduction from City Manager Brent Billingsley, Karalea Cox representing Common Sense Consulting and Facilitation, LLC. thanked the Mayor and Council for the opportunity to be out in the public. Ms. Cox also thanked staff for their support. The Regional Aquatic Center Public Outreach and Needs Assessment was conducted in partnership with the City of Globe Staff and Common Sense Consulting and Facilitation. The process included an electronic survey, a series of outreach events that built on the information gathered during each event and coordination with the Mayor's Task Force on an Aquatic Facility. The outreach collected 786 responses from participants over the four month process. Based on the input and data gathered from the outreach efforts, there is strong support for a regional, year-round aquatic facility. During the Stakeholder workshops participants expressed a strong desire to see the aquatic needs of the community filled through a regional facility that included as the top four elements, recreational swimming, competitive swimming, socialization and a play zone, funded through a combination of tax increase and a reallocation of current designated for non-essential/emergency services. The top location for an aquatic facility identified by participants at the Town Hall were: Globe Community Center and High Desert Middle School.

Council discussion included funding, location and community input. City Manager Billingsley states that this report is a new item and will be brought back for adoption at the next meeting.

B. Discussion and consideration of contract with Current Insight Inc. for Energy Management Services. (Joseph Jarvis)

Finance Director Joseph Jarvis presents this item to Council with the recommendation to approve a contract with Current Insight Inc. to manage a 20 year allotment of power. This management contract however would not be for 20 years. Mr. Jarvis informs Council that Current Insight contacted City Administration with an opportunity with the Western Area Power Authority that will offset electricity cost at our waste water treatment plant. The City still needs to finalize our contract with WAPA.

This item will be on the next agenda to approve a contract for negotiation.

C. Discussion and consideration regarding option consideration for Interim Police Chief or Officer in Charge position. (Brent Billingsley)

City Manager Brent Billingsley states as known that Police Chief Truett resigned and that the City of Globe currently has an advertisement out to recruit a new Police Chief. With that said Mr. Billingsley request a recommendation from Council how to assign command on an interim basis. Staff has prepared 5 different options. Mr. Billingsley presents the options to Council. Assign an existing member of the Globe Police Department staff to serve as Interim Police Chief or Officer in Charge, hire a qualified contract employee, amend the existing contract with PSSG to provide transitional oversight utilizing the existing Department command structure, amend the existing contract with PSSG to provide an Interim Police chief or Officer in Charge or take no action.

Mayor Wheeler and Council recommend that the City Manager meet individually with Council for discussion and bring back at the next meeting for consideration.

5. **ACTION ITEMS:**

- A. Consideration of Employee Health Benefit Options for FY2015-2016.
(Joseph Jarvis)

Finance Director requests recommendations for budget planning.

Council recommends the Vision Service Plan option to increase copay to \$25 with a 2.9% increase.

Council recommends Dental Provider MetLife the most economical choice.

After a lengthy discussion regarding funding health benefit options, Council recommends that staff send a survey to employees for a consensus of health benefits options and bring back the results for their consideration of health benefit options.

- B. Consideration of the FY2014-2015 Financial Audit as prepared by Mr. John Naylor. (Joseph Jarvis)

Motion: Approve audit as presented, **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Vice Mayor Eric Mariscal.

Motion passed unanimously.

- C. Consideration to approve Intergovernmental Agreement with the Town of Miami to assist with Pool Repairs in the amount of \$5000.00. (Joseph Heatherly)

Town Manager Joe Heatherly thanked Council for the opportunity to come back for the consideration of assistance in the amount of \$5000.00. Miami pool has committed to open on May 20th and has hired a pool manager.

Motion: Approve the IGA with the Town of Miami, **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Vice Mayor Eric Mariscal.

Motion passed unanimously.

- D. Consideration to approve an amount not to exceed \$15,000 from Council Contingency as required concluding the contracting contract through the Depot Enhancement Grant. (Kip Culver)

Kip Culver states, in conclusion of the Depot Grant, ADOT is finalizing all invoicing for the completed project and with the consideration of cost overrides, ADOT's policy to request and additional amount not-to-exceed \$15,000. Mr. Culver states to Council can be assured that expenses associated with this project will be addressed by its project partner, the Historic Globe Main Street Program.

Motion: Approve transfer from Contingency not to exceed \$15,000 , **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilwoman Roberta Lee Johnson.
Motion passed unanimously.

- E. Consideration of salary adjustment options for FY2015-2016.
(Joseph Jarvis)

Finance Director presents options for Council to consider in regards to the salary study for budget planning.

City Manager Billingsley again reminds Council and the public that this is a recommendation for budget planning only.

Council discussion concludes consensus is option number four (4), approve the salary study and the equity model \$98,000. This would bring employees up to the minimum range and would also adjust employees' salaries based on years of service and complexity of their position.

- F. Consideration to approve final bill for the Springbrook Software Contract.
(Joseph Jarvis)

Finance Director Joseph Jarvis is happy to announce that staff has been able to negotiate an amount that would end our contract with Springbrook Software. The final bill is for \$73,962. The City budgeted \$42,850, for our annual lease payment to Springbrook. It is recommended that the remaining balance of \$31,112 be paid from the Council Contingency. Springbrook agrees to end the contract of July 1, 2015.

Motion: Approve Council Contingency transfer of \$30,000 and pay the final invoice to Springbrook, **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Vice Mayor Eric Mariscal.
Motion passed unanimously.

- G. Consideration of Ordinance No. 829 amending Section 3-5-7 and 3-5-14 Arizona Procurement Code of Globe City Code.

ORDINANCE NO. 829 – AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA AMENDING SECTION 3-5-7 AND 3-5-14 ARIZONA PROCUREMENT CODE OF THE GLOBE CITY CODE.

Motion: Approve Ordinance No. 829 , **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

- H. Consideration of Resolution No. 1723; increasing the fixed asset dollar amount to \$5,000. (Joseph Jarvis)

RESOLUTION NO. 1723 – RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA, INCREASING THE FIXED ASSET DOLLAR AMOUNT TO \$5000.00.

Motion: Approve Resolution No. 1723, **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilwoman Roberta Lee Johnson.
Motion passed unanimously.

6. 2015-2016 BUDGET TEMS:

- A. Discussion and consideration of 2015-2016 Budget. (Joseph Jarvis)

Finance Director announces that May 8th will be our next budget work session and the tentative budget will hopefully be back at the May 26th meeting as a new item.

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: 9:01, **Action:** Adjourn, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton.
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.

A. Legal Advice and direction regarding official original documents pertaining to the Arizona Water Claim in the possession of an ex-City Official.

2. Obtain legal advice on temporary Certificate of Occupancy and the granting of a variance regarding 44CFR and the City of Globe Floodplain Ordinance and Administrative Procedures for Floodplain Management and Regulation, LOMR review and FEMA approval.

3. Legal advice and direction regarding Water Effluent Agreement with Inspiration Copper.

4. Legal advice and direction regarding ADOT Bridge Report.

5. Legal advice and direction regarding operations at the Police Department during the Police Chief Interim.

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)

1. City Manager Contract

9. 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.

10. SCHEDULING OF MEETINGS:

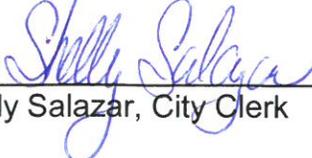
Scheduling of meetings, which may be brought up at this time.

11. ADJOURNMENT.

Motion: Adjourn Regular Meeting at 10:33, **Action:** Adjourn, **Moved by** Councilwoman Roberta Lee Johnson, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

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 28th day of April, 2015. I further certify that the meeting was duly called and held and that a quorum was present.



Shelly Salazar, City Clerk