CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

May 10, 2016 6:00 P.M.

The meeting was called to order by Vice Mayor Mariscal at: 6:00 pm.
The Invocation was given by: Councilman James Haley
The Pledge of Allegiance was led by: Joseph Jarvis

ROLL CALL

Present: Councilman James Haley, Councilwoman Roberta Johnson, Councilman Mike Stapleton, Vice Mayor Eric Mariscal.
Absent/Excused: Mayor Terence O. Wheeler, Councilman Mike Humphrey, Councilman Lerry Alderman.

1. PUBLIC HEARING-
CITY OF GLOBE MUNICIPAL PROPERTY CORPORATION.

A. Open Public Hearing

Meeting was opened by Councilman Mike Stapleton; President.

B. Consideration and Discussion of 2016 Annual Report.

City Clerk discussed the annual report which is due May 13, 2016 and called for the election of new officers. It was unanimous of the Board to appoint Council seats that were not up for re-election. The Board elected the following officers:
President: Councilman Mike Stapleton
Vice President: Councilwoman Roberta Johnson
Secretary/Treasurer: Councilman Lerry Alderman
The Statutory Agent will remain as William J. Sims III

C. Close Public Hearing.

Public Hearing was closed at 6:09 pm.

2. SUMMARY OF CURRENT EVENTS:

A. Council Members

Councilman Haley was happy to report that Tim Humphrey informed him that Councilman Humphrey will be coming home soon and his rehabilitation is progressing well.

Councilwoman Johnson reported that she and Councilman Lerry Alderman had the opportunity to attend the employee appreciation luncheon last Friday and wanted to publicly thank all the City of Globe Employees for all their contributions this last year. There has been a tremendous amount of work done and everyone should be commended.

Councilman Stapleton wasn't able to attend the luncheon but also thanked the Globe Police and Fire Departments as well as the other entire departments for the work that they do. Councilman Stapleton also stated that he talked with Tim Humphrey and wishes Councilman Humphrey well wishes and prayers.

Vice Mayor Mariscal reported that he visited Councilman Humphrey and he is doing well. Vice Mayor Mariscal unfortunately was unable to attend the luncheon however City of Globe personnel are some of the best staff in Arizona.

B. Mayor

C. City Manager

City Manager Jepson did on the behalf of Council thank the City of Globe Staff and possibly during a work session make plans to make this an even more special event for a tremendous staff.

BHP Billiton Petroleum (Mining) representatives Serge Pelletier and Richard O'Connell were recognized in the audience and Mr. Jepson informed Council that they met earlier to make sure the partnership with the Old dominion Park was going well. The conversation went well.

Thank you to staff for the Kyle Petty event. Globe Staff are pro at putting events together; the ATV Jamboree was also a well-planned event.

Mayor Wheeler who is not feeling well sends condolences that he could not make the meeting. Councilman Alderman is also excused attending a very special graduation.

Mr. Jepson reported that he and Mayor Wheeler attending the Cobra Valley Center for the Arts Board Meeting last week and feels it was helpful with moving things forward.

The Belt Press at the WWTP is up and running. Staff did a lot of fabrication and work to make that happen. There are serious water issues at the Crestline Tank, $750,000 worth in repairs to serious flaws. Staff will be moving forward with the bidding process possibly cooperatively. The tank will remain empty and is off line.

The State Legislative Session is out and nothing will really impact the City of Globe, State Shared Revenue passed.

City Manager Jepson reported to Council that he will be out of the office relocating daughters from U of A on Friday.

City Manager Jepson informed Council that there are two property leases on the Consent Calendar. The lease with Tom Thompson lease has been modified to expand allowed uses to include; engineering, accounting and professional occupations. Council has the option to pull from Consent if discussion is required. Mr. Jepson request that the Palace Pharmacy Lease item be pulled from Consent in Executive Session to share some additional information.

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

A. Presentation of National Police Week; May 15, 2016.
(Lt. Rosann Moya)

Chief Nipp introduces National Police Week and National Peace office memorial day. President John F. Kennedy signed a Public Law 87-726 on October 21, 1962 that declared May 15th as National Peace Officers Memorial Day and this year the calendar week in which May 15th falls is National Police Week; the annual tribute to law enforcement service and sacrifice.

This year, the Globe Police Department will gather at City Hall on May 15th at 10:00 am and pay tribute to those fallen Officers by lowering the U.S. flag to half-staff and calling the roll of those Officers that have fallen to date this year.

To conclude his presentation; Chief Nipp plays the very perspective audio of "THE POLICEMAN" by Paul Harvey.

B. Presentation of Certificates of Appreciation to Fetch Foundation and VA Hospice for the Donation of Fido Bags to Globe Fire Department, Tri City Fire and Gila County Sheriff's Office.
(Fire Chief Gary Robinson and Fire Marshall Joe Bracamonte)

Fire Marshall Bracamonte introduces representatives from VA Hospice, Gila County Sheriff's Office, and Dr. Sanders with Copper Hills Veterinary Services and Chief Renon with Tri City Fire District.

Fetch Foundation representatives; Gayle Buck, Marie Peck and K-9 Emma demonstrate the contents of the Fido Bags and certificates are awarded.

C. Presentation of New City Employees:
Police Department: Toni DeAnda; Public Safety Support Services and Police Officers; Jonathan R. Clements and Kelly McClain.
Finance Department: Jeannie Sgroi; Accountant II
(City Manager; Paul Jepson)

D. Presentation of Additional Revenue Options.
(Paul Jepson and Joseph Jarvis)

Finance Director Joseph Jarvis presents per council direction; rate adjustment options in order to address a funding short fall and our Public Safety Personnel Retirement System liability. Four options are presented to Council balance the budget: **Option 1**; a proposed sales tax adjustment of .170% that would generate an estimated $306,000, **Option 2**; a proposed sales tax adjustment of .70% that would generate an estimated $337,024, **Option 3**; a proposed sales tax adjustment of .175% and a property tax adjustment in the amount of -.0014% that would generate an estimated $309,747 and the final **Option 4** of a proposed property tax adjustment of .5057% that would generate an estimated $211,024 in additional revenue.

Council discussion recommends the elimination of Options 3 and 4. City Manager felt it was important to share the opinion of Gregg Schwarz a Financial Advisor that has assisted with WIFA funding and states that Mr. Schwarz recommended a sales tax increase; sales tax is a broader rate that captures pass through money from visitors. This would allow us to spread the burden to a larger audience and the impact would be solely to our residents.

Councilman Stapleton, Councilman Haley and Councilwoman Johnson all support Option 1; a proposed sales tax adjustment of .170%, stating that the City of Globe is well below other cities and nobody wants to raise taxes, however needs are critical with aging infrastructure and we need to infuse City services along with addressing the PSPRS liability.
Council unanimously supports Option 1.

E. Presentation of Public Safety Personnel Retirement System Liability.
(Joseph Jarvis and Paul Jepson)

Mr. Jepson updates Council that the City of Globe has roughly $10M in liability to Public Safety Retirement on the books. Other Cities and Towns have decided to utilize tax increases to lower the obligation. Joseph Jarvis will be presenting options to relive the PSPRS liability.

Mr. Jarvis states that at no fault of the Globe Public Safety team the City contributions have increased. Current contributions have increased in excess of $400,000 per fiscal year. Council requested that options be brought back for consideration. **Option 1**; a proposed sales tax increase of .500% and a -.0014% property tax decrease that would generate an estimated $894,747 in additional revenue and **Option 2**; a proposed sales tax increase of 1% and a -.0014% property tax decrease that would generate an estimated $1,794,747 in additional revenue.

Mr. Jarvis explains to Council if they choose a sales tax rate increase of .5% that would contribute an extra $900,000 towards the liability and would adjust the new contribution rate down generating an approximate $87,747 difference. The approval of a 1% increase to sales tax would contribute an extra $1.8M lowering the contribution rate down to an estimated $156,545 difference.

Councilman Haley in consideration of a special assessment to pay down the liability requested a sunset of the retirement of the unfunded liability be included to hold future Council accountable to the taxpayers and also to not allow this to be endless.

Mr. Jarvis clarified for Council that this increase is in addition to the increase that was presented to balance expenditures.

Council discussion supports the Option 2 that would be most effective in supporting the unfunded liability with PSPRS and that would beOoption 2; the additional 1% increase to sales tax. Mr. Jarvis estimated that within 10 years the unfunded debt could be paid down.

F. Presentation of the US Highway 60 Project Completion.
(Jerry Barnes and Paul Hendricks)

Paul Hendricks with EUSI exclaims that is time for celebration; the critical $2.2M infrastructure project is completed.

City Engineer; Jerry Barnes is before Council with a summary and slide show of the project. The project began on September 21, 2015 and was overseen by Public Works, Fire and Police Departments. The first challenge was on the first day of construction when ADOT cleared an oversize load that damaged an APS pole. There were many obstacles during the installation of the jack and bore pits including buried storage tanks and a huge boulder nicknamed "The Whale" that took two loaders to clear. Ken Sellick was beneficial in locating live pipes in the water the system and developed an ingenious cost savings plan using abandoned pipes as conduits to avoid highway crossings; this saved the City thousands of dollars. The Saddles were not up to the City standards and had to be upgraded and replaced. The City reached a settlement with Arizona Water during the project. An alternate bid was in place and the Interconnection was installed with a great partnership with Arizona Water. The Waterline was installed and permanent pavement was completed concluding the project.

Cost comparisons were presented and the final price of $2,425,897 was in excess of bid price in the amount of $325 thousand dollars. Mr. Barnes concludes stating that this project was very successful and good for the City of Globe.

City Manager; Paul Jepson thanks all the business owners who were patient with the project.

4. **<u>CONSENT CALENDAR:</u>** 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 $204,994.59

2. Consideration of Approval of Council Minutes:

Budget Work Session Minutes 3-29-2016
Budget Work Session Minutes 4-19-2016
Regular Meeting Minutes 4-26-2016

B. Consideration of #GS-2016-14; Rental Lease with Tom Thompson. (Chris Collopy)

C. Consideration of #GS-2016-28; Rental Lease with Vaden Corporation dba Palace Pharmacy. (Chris Collopy)

D. Consideration of #GS-2016-30; Intergovernmental Agreement with Gila County providing Granite when needed. (Chris Collopy)

Motion: Approve the consent agenda with the exception of item C and to include the amendment to item B discussed in the Managers report. **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

Motion: Table item C, **Action:** Table, **Moved by** Councilwoman Roberta Johnson, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

5. NEW BUSINESS:

A. Consideration and Discussion of #GS-2016-24; Intergovernmental Agreement between the City of Globe Fire Department and the Town of Miami for Fire Code Enforcement. (Chief Gary Robinson)

Chief Gary Robinson indicated that the Town of Miami approached the City of Globe with the potential of an IGA to assist with fire code enforcement. The IGA has been approved by Miami and the contract will allow the Fire Marshall will assist Miami with the set fees.

Fire Marshall Bracamonte discusses time estimates with Council and he does not anticipate a huge demand. Mr. Jepson interjects that the new code enforcement position will alleviate demand on the Fire Marshall. Fees collected for services will be budgeted back into the fire budget. Additional cost such as crime lab costs will be consumed by the jurisdiction.

Chief Robinson is pleased with the service that Fire Marshall Bracamonte provides for Globe that ensures the safety of firefighters and supports extending the service to Miami to again ensure the safety of his crew as they respond to Miami calls.

Motion: Waive the prior discussion rules and approve the IGA with the Town of Miami for Fire Code Enforcement. , **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilwoman Roberta Johnson.
Motion passed unanimously.

B. Consideration and Discussion of #GS-2016-29; Purchase of Police Vehicles with Racketeer Influenced Corrupt Organization (RICO) Funds.
(Sgt. Jim Durnan and Toni DeAnda)

Chief Nipp was tasked with the assessment of the condition of the police fleet. Chief Nipp discovered that the RICO account had a substantial amount; over $65,000. Chief Nipp stated that in conjunction with a plan to reorganize the department this marries perfectly. The Globe Police Department has reclassified four Patrol Officers as Detectives supervised by Sgt. Jim Durnan as Street Crime Units. Racketeering activities such as street crimes are criteria that the RICO funds can be used. Chief Nipp stated that he approached the County Attorney and they approve of the idea and it is currently out to bid. Approximately $12,000 will have to be used out of the existing Police budget. The balance in the RICO fund was seized from a single traffic stop over three years ago. Council supports and thanks Chief Nipp for his efforts and creativity in locating resources.
This item will be brought back.

C. Consideration and Discussion of #Gs-2016-08; FY2016-17 Budget.
(Joseph Jarvis)

City Manager Paul Jepson takes the opportunity catch up on the budget with Council. Mr. Jepson informed Council that he is currently working on a presentation regarding the Cobre Valley Transit that will be presented at the May 24th meeting. The Arizona Dept. of Revenue is currently doing a comprehensive review of the City's Model Tax Code and Mr. Jepson would like to hold on the consideration of the $15,000 cap relating to the sale of personal property.

The burning issue that has consumed the last seven days is; retitling the Position of Code Enforcement Officer. Mr. Jepson request Council to direction on two options; Neighborhood Revitalization Specialist and/or Urban Technician.

Council discussion and consensus was Code Enforcement Specialist.

Finance Director Joseph Jarvis informed Council that the Tentative Budget will be before Council on May 24th and the Public Hearing will be June 14th. The Final Budget Adoption will be the first meeting in July.

6. ACTION ITEMS:

A. Consideration and discussion of adopting Resolution No. 1742 for the Abandonment of City Right-Of-Way Between Glance Street and North Street.
(Chris Collopy)

RESOLUTION NO. 1742 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.

City Clerk; Shelly Salazar reads Resolution No. 1742 into the meeting minutes and the Council is satisfied with the reading.

It was discovered at the last meeting that the 1914 legal description had to be revised and the applicant for the abandonment paid to have one completed. Upon review of that description Chris Collopy stated that this easement had been used for years as a short cut and is only 10 feet wide and is not allowed for a vehicular access. During this time a Mr. Collopy stated that he met with a neighboring property owner in opposition of this abandonment.

Billy J. West through a request to speak card addresses Council with concerns. Mr. West stated that his property has been owned by parents and for the last 40 years the right away has always been used as a street and is imperative to living there and that the street has not been abandoned. The road has been kidnapped the road is not private. Mr. West request Council to quash with a motion the sale of this right of way.

Mr. Collopy informed Council that any utility easement that is on the property will remain.

Motion: Table this item for review, **Action:** Table, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

Mrs. Brenda McLaughlin speaks as the applicant of the abonnement and states that she owns the property on both sides of the right of way. Mrs. McLaughlin also stated the Glance Street is composed of four neighbors and she has obtained signatures from all four neighbors supporting the abandonment. Mrs. McLaughlin stated that a misunderstanding of a survey lead them to believe that the 10ft. Easement was their utility easement and they had been parking there. They were however informed by the Assessor's office that they didn't own the easement. Mrs. McLaughlin did inform the Council that the 10ft Easement would not hinder access to any of the surrounding properties and that the Assessor's office did say that there has been no indication by the City as to what the right of way was for.

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

Mr. Jarvis reviews benefit increases; 8.5% Blue Cross Blue Shield and 7% MetLife which have been discussed at budget work sessions. It was also discussed with Council to utilize Retention Accounting Savings of $700,000 to be used as premium holiday to help offset the increase. Two pay dates have been considered; November 23rd and December 23rd.

Motion: Approve the Renewal Amounts and the Holiday Premium utilizing the Retention Accounting Savings for dates November 23rd and December 23rd., **Action:** Approve, **Moved by** Councilwoman Roberta Johnson, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

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

Motion: Approve Auto Aid Agreement between Tri City Fire and the City of Globe., **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.

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. Legal advice and direction regarding the Train Depot Lease Contract related to ADOT Grants.

2. Legal advice and direction regarding the Settlement Agreement with Arizona Water Co.

3. Legal advice and direction regarding #GS-2016-17; Property Lease for Cobre Valley Center for the Arts.

4. Legal advice and direction regarding #GS-2015-17; Property Lease of City Fuel Yard.

9. SCHEDULING OF MEETINGS:

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

10. ADJOURNMENT.

Motion: Adjourn into Executive Session at 8: 12 pm., **Action:** Adjourn, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilwoman Roberta Johnson.
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 10th day of May, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Shelly Salazar

Shelly Salazar, City Clerk