

CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

June 28, 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: Joseph Jarvis

ROLL CALL

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

Absent/Excused: Councilman Mike Humphrey, Councilwoman Roberta Johnson.

1. SUMMARY OF CURRENT EVENTS:

A. Council Members

Councilman Alderman attended the Arizona Water Company hearing at the Arizona Corporation Commission and was happy with the atmosphere of the hearing and the Judge was pleased. Councilman Alderman also mentioned that a he was very much impressed with a member of the commission who was very helpful; an advocate for all the taxpayers of this community.

Councilman Haley was heartfelt calling for prayer for the recent victims of terrorism in Istanbul Turkey.

Vice Mayor Mariscal had the opportunity to attend the grand opening for Resolution Copper; Globe office which is encouraging and wishes them well and also attended the Farmer's Market.

Councilman Stapleton wishes everyone a safe and happy 4th of July safe weekend and welcomes Resolution Copper to Downtown Globe. Mayor Wheeler wishes everyone one a happy 4th of July.

B. Mayor

Mayor Wheeler also states that it is good to have Resolution Copper in our neighborhood and town and believes they will have an important presence in our economic growth in the future.

C. City Manager

Mr. Jepson also attending the judicial hearing at the Arizona Corporation Commission for Arizona Water Company and the City of Globe is now waiting for the final order from the Judge hopefully to accept the Settlement Agreement, once

the Judge rules the agreement will be put on the Consent Agenda for the full Commission to vote.

Mr. Jarvis announces that Council approved \$15,000 cash funding to be made available to non-profit organizations in our community for this year. Applications can be found on the City of Globe website and can be picked up at City Hall. All completed application must be received by Globe Finance Department by 5pm on July 20th. The applications will be reviewed for compliance by City staff and award recommendations will be considered by the City Council during the July 26th Council Meeting.

Mr. Jarvis clarified for Council that organizations receiving bed tax distributions are still eligible to apply for this funding and for further questions please contact City Hall.

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

- A. Presentation of The Globe Fire Department in collaboration with Globe Firefighters Association and Cobre Valley Regional Medical Center; The Madi Project.
(Chief Gary Robinson)

Chief Robinson announces that the outstanding effort of Angel Mendoza on Sunday; June 20th Madison Hobbs is an amazing 6 year old and a drowning survivor. Madison's father; Angel Mendoza is presented the Life Saving Award.

Chief Robinson also invites everyone to the Madi Project; a drowning prevention and education seminar at 5:00 pm on June 30th at City Hall sponsored by the Globe Fire Department in collaboration with Globe Firefighters Association and Cobre Valley Regional Medical Center.

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: \$377,280.17; \$89,846.93 of previous credit card charges, which spans a six month period and current invoices in the amount of \$287,433.24.
 2. Consideration of Approval of Council Minutes:

- B. Consideration of the Pinal-Gila Council for Senior Citizens FY2015-16 Contract Amendment #4 Increasing Funding to be received by the City in the amount of \$4500.00. (Joseph Jarvis/Tammy Guerin)
- C. Consideration of #GS-2015-17; Property Lease with M.V. Enterprise for property located at 360 W. Oil Circle Road. (Chris Collopy)
- D. Consideration of #GS-2016-17; Lease with Cobre Valley Center for the Arts for the Old Gila County Courthouse located at 101 N. Broad Street. (Paul Jepson)
- E. Consideration of #GS-2016-14; Property Lease with Tom Thompson for the Amster Building located at 100 N. Broad Street. (Paul Jepson)

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

4. NEW BUSINESS:

- A. Discussion and consideration of #GS-2016-41; Contract with John Naylor, C.P.A., P.C., for the City's Annual Audit for FY2016-17. (Joseph Jarvis)

Mr. Jarvis presents a letter of agreement from John H. Naylor, CPA, PC, in the amount of \$31,100.00. Mr. Naylor has completed the audit for the City of Globe for a number of years. He continues to provide clear support and direction to the City Council and staff to prepare for the audit and completes the audit in a timely and cost effective manner. Mr. Jarvis comments that this is the first full year that the Finance Department has completed finances in the Caselle Software and Mr. Naylor is a consistent audit with all the changes in finance software. Tonight this item is before Council for their consideration.

Council directs this item be brought back to the next Council Meeting.

- B. Discussion and consideration to Disband the Mayor's Task Force for Housing and Code Enforcement and request to waive City Code Section 2-4-10(A) [prior discussion rule] (Mayor Wheeler)

Mayor Wheeler is before Council with a request from Councilwoman Roberta Johnson to disband the Housing and Code Enforcement Task Force. Mayor Wheeler encouraged Councilwoman Johnson to continue to mentor the group, however without a lead person from the City and the new position of Code Enforcement Specialist it was requested that the Mayor's Task Force be disbanded.

Motion: Waive the prior discussion rules and approve to disband the Mayor's Task force for Housing and Code Enforcement and to direct staff to issued letter of appreciation to member of the committee. , **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilman Lerry Alderman.
Motion passed unanimously.

- C. Discussion and consideration of Transfer Request from Council Contingency not to exceed the amount of \$8,000 to Museum Line Item #10-65-52000 (Capital Purchases) for the purchase of an Air Conditioning Unit for Besh Ba Gowah Museum and request to waive City Code Section 2-4-10(A) [prior discussion rule] (Museum Director; Leana Asberry)

Museum Director; Leana Asberry request a transfer in the amount not to exceed \$8,000 for the purchase of an air conditioning unit for the Besh Ba Gowah Museum. The air conditioning unit that services the museum portion of Besh Ba Gowah has had continuous problems for the past seven summers. It is recommended by the City of Globe Maintenance and Museum staff that the unit be replaced.

Motion: Waive the prior discussion rules and approve contingency transfer request no to exceed \$8000 for a new air conditioning unit for the Besh Ba Gowah Museum., **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman James Haley.

Motion passed unanimously.

- D. Discussion and Consideration of proposal placed on the Agenda by Mayor Terence Wheeler as per City code Section 2-4-6-C, to create a Public Safety Personnel Retirement System Funding Task Force and request to waive City Code Section 2-4-10(A) [prior discussion rule]. (Mayor Terence Wheeler)

Mayor Wheeler addresses the Council regarding the unfunded liability the City of Globe has with Public Safety Personnel Retirement System. Mayor Wheeler would like to form a task force and appoint people from the business community that have shown interest in helping solve this issue. Mayor Wheeler proposes that Stan Gibson, Ed Gardea, Udon McSpadden, Kelly or Jim Moss, Rebecca Williams, Ellen Kretsch, Steve Stratton, Ken Bernstein, Councilman Mike Stapleton and Vice Mayor Marsical be appointed to the Task Force. The term of the task force is proposed for a two week term.

Motion: Approve to form the task force as proposed for a duration of three weeks and present to the Council at the next scheduled Council Meeting and reach out to Gila County regarding their input for the task force., **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton.

Motion passed unanimously.

5. ACTION ITEMS:

- A. Consideration of Bed Tax Allocation Options for FY2016-17.
(Paul Jepson/Joseph Jarvis)

City Manager; Paul Jepson updates Council on the current Bed Tax Allocation. Staff is projecting \$150,000 in Bed Tax revenues. Council has allocated \$100,000 to Bed Tax Recipients and \$50,000 to the General Fund. Staff revised the FY2016-17 Bed Tax revenue projections to \$200,000. At the last meeting Council asked for additional allocation options. Mr. Jepson presented the following options to Council for consideration. Adjust the Cap to \$150,000 and distribute to the five Bed Tax

entities. Offer an additional \$50,000 as a grant opportunity to the five Bed Tax Recipients. Include Besh Ba Gowah as a sixth Bed Tax Recipient and raise the Cap to \$150,000 and lastly fund a comprehensive regional marketing plan to promote Globe. Mr. Jepson offered these additional options for funds collected above the \$150,000; allocate any additional Bed Tax funds to be used for future Heads in the Bed use, use to be determined by Council in January 2017, after review of the first 6 months of revenues or use for a Bed Tax Grant or marketing.

Mr. Jepson request Council to direct staff to make changes or additions in the final budget subject item on July 26th.

Councilman Haley supports removing the Cap and distributing the entire amount to the 5 entities.

Councilman Alderman supports payments on a quarterly basis and to include language not to exceed distribution over the amount of money we receive.

Mr. Jepson ensures Council that required reporting in a common format along with the language that would prohibit distribution to exceed revenues collected.

Vice Mayor Marsical also supports quarterly payments if the funding is there and keeping the funding with the 5 entities, same splits.

Motion: Table the motion until an agreement with the suggested language be prepared.

Action: Table, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton.

Motion passed unanimously.

Rebecca Williams from the Dream Manor Inn thanks Council for listening to them and thanks Paul Jepson. Ms. Williams also asks Council to look into the quarter payments.

- B. Consideration of proposal placed on the Agenda by Mayor Terence Wheeler as per City code Section 2-4-6-C, to allocate \$2M of Fund Balance, to be dedicated to payment of the Public Safety Personnel Retirement System Unfunded Liability. (Mayor Terence Wheeler)

Ellen Kretsch thanks Council for the decision of the Bed Tax. Speaking on behalf of the Chamber of Commerce and the EDC; Ms. Kretsch supports the funding of the \$2m from City Contingency. Task force is a good idea Sales could drop if the proposed sales tax increase was approved.

Kelly Moss has nothing more to add.

Councilman Alderman in the interest of being conservative; thanks Mayor Wheeler for offering a solution. Councilman Alderman would like to hear from the task force before we make the commitment commit to spending the \$2M from contingency.

Councilman Haley absolutely objects with taking \$2M out of the rainy day fund. Give the task force the chance to come up with some applicable proposals.

Motion: Waive the prior discussion rules and Reject the request for the \$2M contingency payment and to wait on advisory remarks from the task force. **Action:** Reject, **Moved by** Councilman Haley and **Seconded by** Councilman Stapleton.
Motion passed unanimously.

Councilman Alderman states for the record that the Council will ultimately make this tough decision regardless of the recommendations of the Task Force. The Council is also looking at solutions.

City Manager Jepson confirms that Council did approve the appointment of members to the PSPRS Funding Task Force in a prior item.

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.

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. Legal advice and direction regarding Water Effluent Agreement with Inspiration Copper.
 2. Arizona Water; receive legal advice from the City Attorney and outside Counsel regarding the Public Hearing held on June 15, 2016 and the Public Hearing scheduled at the Arizona Corporation Commission on June 28, 2016 from 9:00 am to 12:00 pm.
 3. Legal advice and review of Agreements with the Boys & Girls Club of the East Valley.
 4. Legal advice and direction regarding #GS-2016-42; Lease with Globe Downtown Association for the Old Gila County Jail Building located at 149 E. Oak.

5. Legal advice and direction regarding #GS-2016-28; Property Lease with Vaden Corporation.

8. SCHEDULING OF MEETINGS:

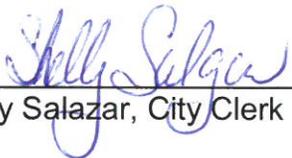
Scheduling of meetings, which may be brought up at this time.

10. ADJOURNMENT.

Motion: Adjourn the regular meeting at 6:57 pm. to go into executive session. **Action:** Adjourn, **Moved by** Councilman James Haley, **Seconded by** Councilman Lerry Alderman. 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 June, 2016. I further certify that the meeting was duly called and held and that a quorum was present.



Shelly Salazar, City Clerk