

# CITY OF GLOBE

## REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

July 12, 2016 6:00 P.M.

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

### ROLL CALL

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

**Absent/Excused:** Vice Mayor Eric Mariscal.

#### 1. SUMMARY OF CURRENT EVENTS:

##### A. Council Members

Councilman Alderman mentions that he and Councilwoman Johnson attended a workshop of the League of Cities and it was informational; learning how the League works with the cities. Councilman Alderman and thanks the team that has been working to find a solution to the \$10 M deficit that the City has with Public Safety Retirement and thanks everyone.

Councilman Haley reminds everyone to be safe around water. School is going to start up and be safe driving around kids.

Councilwoman Johnson thanks the housing task for that has served over this past year; Ginny Sonne, Councilman Mike and Anita Stapleton, Bobby and Steve Ravencamp, Kathy Melvin, Dennis Melford, Debbie Fogle, Barb Osborne, Dennis Burke, Joe Skamel, Rosalie Lamentola-Ayala, Bill Leister, Chris Collopy, Mayor Wheeler, Joe Bracamonte and Jerry Barnes. Councilwoman Johnson states that the task force was disbanded but they will continue to look for funding sources and strategic way to combat blight just in a different venue. Councilwoman thanked Globe Police Officers Ed McGuire and Jonathan Clements for assisting her with a flat tire. Also Globe Librarian; Adrea Ricki is thanked for a successful library summer reading program and lastly Councilwoman congratulates Fire Marshall Joe Bracamonte who was named Miss Firecracker at the July 4<sup>th</sup> celebration at the Haven.

Councilman Humphrey nothing to report.

Councilman Stapleton thanks Globe Fire and Police for their outstanding response to an auto accident that his wife Anita was involved in. Councilman Stapleton also thanks the PSPRS Funding Task Force that has learned of the issue and is meeting to resolve the \$10M liability.

B. Mayor

Mayor Wheeler asks for a moment of silence for the victims of the Dallas shooting in which 5 Police Officers were fatally shot. Mayor Wheeler proudly states that we are fortunate to have first responders who react in tragedy and are taken for granted, these people are exceptional.

C. City Manager

City Manager; Paul Jepson reflects of the budget process this year stating that it has been a complex project. The public hearing for the Final Budget will be July 26<sup>th</sup> and final adoption should be August 9<sup>th</sup>.

Mayor Wheeler reiterates the budget process in regards to the elephant in the room; the PSPRS funding of the \$10M deficit has really made decisions complex. Mayor Wheeler thanks staff and the Task Force, a lot of information has been shared and education has been done.

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

A. Presentation of new City of Globe Deputy Fire Chief; David Bejarano.  
(Fire Chief Gary Robinson)

Fire Chief Robinson presents Deputy Chief David Bejarano. Deputy Chief Bejarano started his career with Globe Fire in February of 1996 he was then promoted to rank of Captain in December of 2001. Deputy Chief attended numerous executive leadership courses, a certified Rope Technician, has been a Flight Medic for ten years and was one of the original paramedics in the Globe area. Chief Robinson said it has been a privilege to work with David as a new firefighter, a pier level as a Captain and now to move him through to this position.

Deputy Chief Bejarano thanked Chief Robinson and Council and said it is a tremendous privilege, having the opportunity to perhaps work outside of the area to become Deputy Fire Chief, this is home and where he chooses to retire with no doubts or reservations to promote to this level. David thanks former Fire Chief Gameros, Chief Robinson and City Manager; Paul Jepson.

B. Presentation of Arizona Water Treatment Grade #1 to Bryon Palmer.  
(Water Wastewater Superintendent; Ken Sellick)

Ken Sellick recognizes Water Treatment Plant Operator Bryon Palmer for receiving his Water Treatment #1 certification.

C. Presentation of current status of Cemetery Plots; Globe Cemetery.  
(Chris Collopy)

Chris Collopy presents status of cemetery plots in the City of Globe Cemetery. In 2013 the City was running out of cemetery plots so the City opened Section 7 which added over 100 plots. From January 1, 2014 to December 31, 2014; 33 plots were sold by the City and in 2015 28 plots were sold. Currently 9 plots have been sold in 2016; some in Section 7 and some were sold in the older sections. With the available plots available in Section and current demand the City has approximately 3 years before additional land would be needed. If the area that is currently being used by the Gila County Animal Control could be used for plots, the City could have another 8-10 years without doing considerable earthwork.

D. Presentation of current status of proposed County Humane Shelter.  
(Chris Collopy)

Michael O'Driscoll; Gila County Health Dept. was present for the presentation. Chris Collopy informs Council that a new modern facility is being proposed in the area of the Community Center near the skate park. The property and utilities will come from the City and will take approximately 4 years to build the building which would still allow the City time before the additional land would be needed where the current Gila County Animal Shelter is.

Mr. Jepson thanks Michael O'Driscoll for attending.

E. Presentation of update on the CDBG Funding Process.  
(Fire Chief Gary Robinson)

Public Works Director; Jerry Barnes gives an update as he has been working very closely with Community Development Block Grant (CDBG) in the low to mod surveys. The Arizona Department of Housing informed the City that 2014 forms was used for the survey, and the commercial properties were not included; including mobile home parks. The surveys have been mailed out again using the correct format and September 1<sup>st</sup> is the deadline to get them back in. Mr. Barnes and Chief Robinson want the public to know that you may have filled them out before but will be asked to fill them out again. Five Hundred Forty (540) surveys were sent out and we need 385 back. A list of staff has been put together to assist with the survey. Mistakes were made, not being City mistakes however we are confident to complete.

Mr. Barnes informs the public that the grant funds are being considered for a new Fire Truck, in the past CDBG funding was used for the elevator in the Cobre Valley Center for the Arts.

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 \$247,853.47

2. Consideration of Approval of Council Minutes:

Regular Meeting Minutes 6-28-2016

B. Consideration of #GS-2016-44; Gila County Library District Service Agreement with the City of Globe in the amount of \$113,600.00 for fiscal year 2016-2017. (Joseph Jarvis)

**Motion:** Approve Consent Calendar as read. **Action:** Approve, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilwoman Roberta Johnson. Motion passed unanimously.

4. **NEW BUSINESS:**

A. Discussion and consideration of Ordinance No. 833; Decreasing the Property Tax Rate by 0.014% to a new rate of 1.306% which will maintain the Levy at last year's amount of \$490,010. (Joseph Jarvis)

**ORDINANCE NO. 833** – AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF GLOBE, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE, 2017.

City Clerk; Shelly Salazar reads Ordinance No. 833 into the meeting for the first reading; the Council is satisfied with the reading.

Joseph Jarvis per direction of Council is presenting Ordinance No. 833 that would adjust the Property Tax down to 1.306 which would bring in the same revenue with property evaluations increased.

Council request the Ordinance brought back.

B. Discussion and consideration of Ordinance No. 836; amending Section 7-1-8 Swine prohibited, to include an exception for Miniature Pigs. (Chris Collopy)

**ORDINANCE NO. 836** – AN ORDINANCE OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA, AMENDING THE GLOBE CITY CODE BY AMENDING SECTION 7-1-8 SWINE PROHIBITED, TO INCLUDE AN EXCEPTION FOR MINIATURE PIGS; REPEALING ANY AND ALL OTHER ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH;

City Clerk; Shelly Salazar reads Ordinance No. 836 into the meeting for the first reading; the Council is satisfied with the reading.

Council discussion presented concerns of how many pigs would be allowed and the upkeep of the premises if multiply pigs were kept. Mr. Jepson informed Council that pet standards would apply to the miniature pigs. As the code allows four (4) dogs and cats per residence and also enforces the housekeeping aspect of animals at a residence this would also apply to miniature pigs. Mr. Jepson further explains that this ordinance would recognize that many people like to keep these kinds of animals as pets.

Council directs this ordinance be brought back to Council.

C. Discussion and consideration of #GS-2016-43; Application for Technical Assistance Grant from WIFA. (Joseph Jarvis)

Joseph Jarvis updates Council that in 2013, the City of Globe applied for and received a \$35,000 grant from WIFA to help pay for the Preliminary Engineering Report (PER) on our water system. The City will now be applying in order to help pay for a PER of our wastewater system. WIFA will provide up to \$35,000 as a match to the City's contribution. It is anticipated that the PER will cost at least \$70,000. This expense was not budgeted for and so the expenses would need to be paid from the Fund Balance of the Wastewater Fund.

Councilman Haley states that this is a great plan for constituents to invest in their community and open up funding in different areas.

Jerry Barnes advises Council that the engineering report is a plan on how to spend funds to eventually replace our water and wastewater system in arears. Mr. Barnes also informs Council that there is an August 1<sup>st</sup> deadline and Council direction would allow staff to apply for the grant. If awarded this item would be back before Council for approval to obtain the report.

The grant will be brought back before Council.

5. **ACTION ITEMS:**

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

Joseph Jarvis is before Council with an Engagement Letter for the FY2016 annual audit from Mr. John Naylor. The audit increase is 15% from last year. Mr. Jarvis states that Mr. Naylor has provided a quality service to the City of Globe for a number of years.

**Motion:** Approve the contract with John Naylor as presented. , **Action:** Approve, **Moved by** Councilman James Haley, **Seconded by** Councilman Mike Stapleton. Motion passed unanimously.

B. Reconsideration and approval of FY2016-17 Bed Tax Funding Allocation and Reporting Formula. (Paul Jepson)

Mr. Paul Jepson is before Council as directed at the June 28<sup>th</sup> meeting with recommendations of Bed Tax distribution and reporting. Staff has prepared a set of stipulations for Councils consideration as follows:

Distribute all FY2016-2017 Bed Tax funds to the five organizations for the purpose of economic development: 1) EDC, 2) Globe-Miami Chamber, 3) Downtown Association, 4) Center for the Arts, 5) Gila County Museum, based on the FY 2015-2016 percentage split. Payments will be made to each organization quarterly. Staff will evaluate revenue collections prior to the distribution and actual revenue collections will dictate the amount of each payment. In no case will the City pay Bed Tax recipients more than their proportional share of Bed Tax revenues collected in the fiscal year.

Reporting by the Bed Tax recipients will be as follows: Staff will create a standardized quarterly Bed Tax Recipient Reporting form (BTRR Form). As a requirement to receive Bed Tax funding, recipients must complete and submit the BTRR Form on a quarterly basis. Reporting requirements are based on initial requirements agreed to in the 1998 Bed Tax Agreement. The BTRR forms will require the following information from all recipients, and quarterly updates based on information that has changed over the prior three months: General information including name, mailing address, representative responsible for the compliance of the BTRR form, ex-officio member designated by the Mayor and approved by Council, time, dates, location and frequency of board meetings and names of the current Board of Directors, members and officers. The reporting will also require website information as well as expenses and revenues of the organization and events. The performance report will be submitted on an annual basis with the 1<sup>st</sup> quarter payment request that would include organization activities.

Council recommends that the names and information of the Board Members be taken out of the requirements to preserve privacy to that individual.

**Motion:** Approve the BTRR form with the modifications of eliminating the name of staff members, distribution of all of the bed tax revenue without a CAP and that the organization must have an active Board of Directors to receive a check. , **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman James Haley.

Motion passed unanimously.

C. Discussion and possible acceptance of Public Safety Personnel Retirement System Funding Task Force Recommendations. (Mayor Wheeler)

Mayor Wheeler informs the Council that the Task Force is involved in conversation and education. The Force is continuing to consider many options.

Mr. Jepson advises Council that the Task Force has met with experts regarding the unfunded liability including Scott McCarty, State Representatives and League Representatives. Member of the Task Force are being well informed.

Mayor Wheeler asks for a motion to table this item pending the conclusion of meetings and a possible recommendation.

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

D. Discussion and direction of #GS-2016-08; FY2016-17 Budget Related Actions:  
(Joseph Jarvis)

Joseph Jarvis informs Council that proposed sales tax and property tax adjustment have been delayed until July 19, 2016 at a Special Meeting pending recommendations from the PSPRS Funding Tax Force. July 26<sup>th</sup> is the Public Hearing for the Final Budget as well as Property and Sales tax adoption if not adopted on the July 19<sup>th</sup>. Final budget will be brought August 9<sup>th</sup>, for final adoption. Mr. Jarvis reminds Council that the Tentative Budget has been adopted which is the ceiling for the budget. Mr. Jarvis states that Council can choose the tentative budget as the final or reduce it. The Primary Election will be held on August 30<sup>th</sup> at which time the Home Rule item will be presented to voters. Home Rule is the election by voters that will allow the City manage its finances.

Mr. Jarvis encourages Council to make a final decision regarding Property and Sales Tax as these are components to the Final Budget that needs to be adopted in a timely manner. Gila County will be considering the Property Tax Rate in the month of August; again Council is encouraged to make a final decision of tax adjustments in the month of July.

Mr. Jepson recognizes the effort that Mr. Jarvis has made with the tight schedule of budget and budget work sessions allowing Council to review each item with a timely passage of the budget.

Mayor Wheeler wanted to have recommendations from a Task Force before going forward with a large tax increase in a tight economy. Council has been working very hard to make fair and educated decisions.

Clay Mills residing at 5750 Inspiration Drive in Central Heights request to speak to this item. Mr. Mills speaks in opposition of the proposed sales tax increase stating that this is taxation with representation and that the public has not been notified of any discussion. Mr. Mills makes remarks regarding a \$10M deficit and the effects that Wall Street and the US President has made towards it. Mr. Mills states that without notification to the public the City has chosen to stick their hands in the public pocket and raise taxes. Mr. Mills wants answers.

Councilman Haley clarifies the accusation that someone stole \$10M dollars, no one from the City mismanaged this fund. The City doesn't have control of the Public Safety Retirement Fund; by State Statue the State of Arizona administers the fund. The deficit in the PSPRS fund has been accumulating over a period of approximate 20 years. Councilman Haley states that citizens from our community are taking their time to discuss this very complicated issue in hopes to assist the Mayor and Council with a recommendation to resolve this issue. The sales tax adjustment has not been set in stone it is an item that has been recommended and is being

discussed. Councilman Haley commends the leadership of the Mayor and the organization of the Task Force that has been working hard towards a solution involving the public. Councilman Haley lastly commends the transparency of the budget process. These items have been agenzized and numerous public meeting all throughout the early part of this year. All these meeting have been open to the public and the City is not liable to what the media puts in the paper or where public notices are published in the paper.

Mr. Jepson further explains the unfunded liability in relationship with Stock Market trends and cost of living allowances passed along to members causing the structure of the fund to fail long term. Proposition 124 that was passed by voters stopped the increase of the liability.

Councilman Alderman further supports the decision to adjust sales tax as it is never the intent of Council to increase tax. The Council with recommendation of the Task Force is looking for the best option to take without burdening constituents. Councilman Alderman extends an invitation to Mr. Mills to attend the next Council Meeting on the July 19<sup>th</sup>.

#### 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)

#### 8. **SCHEDULING OF MEETINGS:**

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

**Motion:** Table the Executive Meeting. , **Action:** Table, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilwoman Roberta Johnson.

Motion passed unanimously.

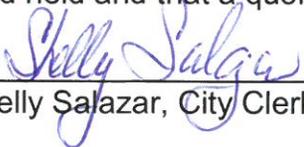
**Motion:** Call a Special Meeting for July 19, 2016 at 6:00 pm., **Action:** Adjourn, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman James Haley.  
Motion passed unanimously.

**9. ADJOURNMENT.**

**Motion:** Adjourn the Regular Meeting at 7:37 pm., **Action:** Adjourn, **Moved by** Councilman James Haley, **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 12th day of July, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

  
\_\_\_\_\_  
Shelly Salazar, City Clerk