

CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

July 26, 2016, 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: Councilman Mike Humphrey

ROLL CALL

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

Absent/Excused: Councilman James Haley.

1. PUBLIC HEARING – FINAL BUDGET FY 2016-2017

A. Open Public Meeting.

B. **RESOLUTION NO. 1744** – RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA FOR ADOPTION OF THE FINAL BUDGET AND THE TAX LEVY FOR FISCAL 2016-2017.

City Clerk; Shelly Salazar reads Resolution No. 1744 into the Public Hearing.

C. Open Public Comment.

Paul Jepson reminds the Public that this hearing is required by statute in the process of the final adoption. The adoption of the Final Budget will be August 9, 2016.

Joseph Jarvis since the tentative budget was adopted at the second meeting in May; Council has given direction for changes. Those changes will be reflected in the Final Budget on August 9, 2016. The total final budget will be approximately \$28M with an operating budget of \$14M.

Mr. Jarvis explains to the Public that Home Rule will be on the August 30th Primary Ballot. In 1978 the State amended the Arizona Constitution to include a state-imposed expenditure limitation. A yes vote on Home Rule would allow the City to continue to set its own budget. A no vote would allow the State to impose an expenditure limitation based upon 1979/1980 budget with allowable adjustments. State imposed expenditure limitation would limit the City's budget to approximately \$8M as opposed to the \$14M operating budget that is necessary to continue city services.

D. Close Public Meeting.

Mayor Wheeler closes the public meeting at 6:05 pm.

2. SUMMARY OF CURRENT EVENTS:

A. Council Members

Councilman Alderman no report.

Councilwoman Johnson had the pleasure attending the annual Humane Society Dinner with several of City people as well and it was a very successful event. Councilwoman Johnson also thanked Ms. Ceci Bernal for chairing the ATV Jamboree the past two years and to Police Chief Mark Nipp for taking the torch.

Vice Mayor Mariscal has talked to many constituents and they are pleased with the Street Crews and the work they do and make sure they drink enough water.

Councilman Humphrey no report.

Councilman Stapleton invited everyone to a Mixer at the Copper Hen from 5:30 to 7:30 pm this Friday, food and drinks will be provided. Proceeds will benefit the Boys and Girls Club for school clothes and supplies. Councilman Stapleton reminds everyone to please water their downtown gardens.

B. Mayor

Mayor Wheeler informs everyone one that he met with the Bike 4 Friendship Cyclist yesterday. A group of people out of the East that help with the special needs children. This is the fourth year that the group has been through Globe. Mayor Wheeler reads a Proclamation that was presented to the group along with a key to the City.

C. City Manager

City Manager informed the meeting that Councilman Haley was unable to attend tonight's Council Meeting as he has secured employment with the Globe Unified School District and had duties to attend in preparation of the upcoming school year.

Mr. Jepson updated Council on the Arizona City/County Managers Associations Summer Conference that he attended last week in Tucson, where participated in a presentation on Emotional Intelligence specifically Motivation. Mr. Jepson also attended Humane Society Mixer and Dinner and treated his wife to a stay at Dream Manor Inn.

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

A. Presentation of the new City of Globe Police Lieutenant; James Durnan.
(Chief Mark Nipp)

Police Chief Mark Nipp introduces the new Police Lieutenant for the Globe Police Department. This was an competitive process with qualified candidates from within

our organization, a total of 5 candidates with competed. The selection process was very unique and intense. Sgt. James Durnan with 18 years at the Globe Police Department scored well above any of the other candidates and scored a victory for himself. Chief Nipp presents Lt. James Durnan.

Lt. Durnan thanked Council and is grateful and committed to the community and the City of Globe.

- B. Presentation by the Arizona Power Authority.
(Terry and Kelly Urbine)
- C. Presentation of the current solar contract at the City of Globe Wastewater Treatment Plant. (Terry and Kelly Urbine)

Joseph Jarvis updates Council of the relationship that the City of Globe has with the Arizona Power Authority for the purchase of Hoover Capacity and Hoover Energy. In 2014, the City Council directed staff with the assistance of Current Insight to apply for an allocation of Hoover Power. In 2015, the City of Globe was awarded with two allotments. It is now time for the Council to consider a 50 year contract with Arizona Power Authority. Current insight is before Council tonight to discuss the benefits and burdens of a 50 year contract. In addition Current Insight will discuss with Council their review of the efficiency of solar contract at the City's Wastewater Treatment Plant.

Kelly and Terry Urbine of Current Insight; present an analysis of the electric use and cost of the Pinal Creek Wastewater Treatment using solar panels that we do not own compared to the savings the City would receive if we owned the solar panels. According to the analysis, the City is currently paying more for electricity with the solar panels per the Contract with Solar City because the City does not yet own the panels. Current Insight will continue to work with the City to better utilize the solar saving at the Wastewater Treatment Plant.

Kelly Urbine congratulates the City of Globe on the Hoover Allocation. In 2013 the City of Globe was awarded 115 kW of capacity and 251,070 kW hours of energy from the Hoover Dam through the Federal Department of Energy of Western Power Administration. In addition the City of Globe was awarded 113 kW of capacity and 246,548 kW hours of energy through the Arizona Power Authority in 2015. The City of Globe has a 50 year entitlement for a savings of 2.5-3.5 cents per kWh that will appear as a credit on invoice via Arizona Public Service (APS) billing department. This significant allocation would service approximately 81 homes with electricity for a year; the City of Globe would receive a \$100,000 savings over the next 10 years.

In order to secure this asset the City of Globe must through Resolution sign a power contract with Arizona Power Authority by August 31, 2016. Power deliveries will begin October 1, 2017. Globe was one of 20 cities in Arizona to get this power. Ms. Urbine reassures the Council that this allotment is an entitlement and in the event of a catastrophic event Globe would receive wholesale power from the Western Power Administration. Arizona Public Service is partnering with the City of Globe and is not charging any administrative cost to preference power

- D. Presentation of the Public Educational Plan for the Public Safety Personnel Retirement System Unfunded Liability. (Paul Jepson)

City Manager; Paul Jepson reminds Council that one recommendation of the PSPRS Funding Task force was to additionally educate the Public; Mr. Jepson request direction from Council on what kind of information and forum Council recommends. Mr. Jepson suggested a basic fact sheet, the Yardstick Report along with web links to the PRPRS web site.

Council discussion directed Staff to start with fact sheet and web information and to provide an email address that the public could send specific questions. Further direction included public service announcements to the media.

4. **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 \$433,758.02
2. Consideration of Approval of Council Minutes:

Regular Meeting Minutes 7-12-2016

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

5. **NEW BUSINESS:**

- A. Discussion and consideration of #GS-2016-46; Resolution No. 1745, Power Sales Contract with the Arizona Power Authority for the purchase of Hoover Capacity and Hoover Energy. (Joseph Jarvis)

RESOLUTION NO. 1745 – A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA, APPROVING A POWER SALES CONTRACT WITH THE ARIZONA POWER AUTHORITY FOR THE PURCHASE AND SALE OF HOOVER CAPACITY AND HOOVER ENERGY.

City Clerk; Shelly Salazar reads Resolution No. 1745 into the meeting and the Council please with the reading.

Finance Director; Joseph Jarvis refers to the presentation by Current Insight and acknowledges possible concerns with the Council regarding the 50 year term of the contract. If the City receives the allotment of energy over the course of the term of the contract; the City of Globe could potentially reduce expenses by approximately \$1M in energy savings. Ms. Urbine confirmed with Council that if the City would wish to terminate the contract, because it is an allotment is competitive, provisions

would allow the City to reallocate their allotment to another entity without consequence.

Council requested a legal review and to bring back in the next meeting.

- B. Discussion and consideration of status of the solar panel contract at the Wastewater Treatment Plant. (Joseph Jarvis)

Finance Director; Joseph Jarvis explained to Council that Current Insight review the contract with Solar City and the effectiveness on energy savings. Current Insight has presented options. Mr. Jarvis request Council's consideration to further analysis the options presented.

Mr. Jepson advises Council that the termination value of this fifteen year contract with Solar City is \$2M and this would include the purchase of the equipment. The contract was approved by Council in 2012. Mr. Jepson said the goal now was to be good stewards of tax money and look at options; Staff is looking for permission to look at options to enhance the City's position in this contract, there is no fee at this time only staff time.

Council directed Staff to provide a copy of the contract to Council for review and to bring this item back.

- C. Discussion and consideration of Resolution No. 1746 – for the Abandonment of Right of Way located at the intersection of Sycamore and East Street.
(Chris Collopy)

RESOLUTION NO. 1746 – A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLOBE, COUNTY OF GILA, STATE OF ARIZONA, ABANDONING RIGHT OF WAY GENERALLY LOCATED AT THE INTERSECTION OF SYCAMORE AND EAST STREET.

City Clerk; Shelly Salazar reads Resolution No. 1746 into the meeting by title only, Council is pleased with the reading.

Chris Collopy explained that during the application process for a building permit for Mr. Herb Bailey, it was discovered that part of his newly purchased home had originally been built on City right of way. This home was built in 1900 when lots were not laid out with the precision of today's survey equipment. Mr. Collopy informed Council that Mr. Bailey paid for the surveyor and all applicable fees. Mr. Collopy doesn't foresee any protest.

Councilman Aldermen reported to Council that he visited the property and it is a beautiful property and that this would be a good result for the community.

Motion: Waive the Prior Discussion Rules and Approve Resolution No. 1746; Abandonment of Right of Way located at the intersection of Sycamore and East Street. ,

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

Motion passed unanimously.

- D. Discussion and consideration of #GS-2016-31; and request to waive City Code Section 2-4-10(A) [prior discussion rule] for Superior Tank Solutions, Change Orders #1, #2 and #3 for an additional \$17,492 from owner contingency for Crestline Tank Rehabilitation. (Jerry Barnes)

Public Works Director; Jerry Barnes presents three change orders in connection with the water tank rehabilitation. Change Order #1 not to exceed \$19,500.00 to bring the existing Crestline Tank up to OSHA, ADEZ, AWWA or API standards. Change Order #2 not to exceed \$16,950.00 for needed repairs on the existing Crestline Tank on the dollar plate and damaged roof components. Change Order #3 not to exceed \$6,692.00 for installation and use of a pump during rehab to assure fire protection in the Apache Peak and Thompson areas while the Tanks are off-line. Total approved contingency for this contract was \$25,650.00 these change order would take the total amount \$17,492.00 beyond the contingent. Mr. Barnes request Council to waive the prior discussion rules and approved all three change orders with Superior Tank.

Motion: Waive the Prior Discussion Rules and approve 3 Change Order with Superior Tank for an additional \$17,492.00 from contingency. , **Action:** Approve, **Moved by** Councilwoman Roberta Johnson, **Seconded by** Councilman Mike Stapleton. Motion passed unanimously.

6. **ACTION ITEMS:**

- A. Discussion and direction of #GS-2016-08; FY2016-17 Budget Related Actions including Resolution No. 1744. (Paul Jepson and Joseph Jarvis)

City Manager; Paul Jepson requested this action provided Council had direction on any budget item.

Motion: Table Item 6A, **Action:** Table, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilwoman Roberta Johnson. Motion passed unanimously.

- B. 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 by title only into the meeting for the final reading; Council is satisfied with the reading.

Motion: Approve Ordinance No. 836; Amending the City Code by Amending Section 7-1-8 Swine prohibited, to include an exception for Miniature pigs., **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton. Motion passed unanimously.

- C. Consideration of #GS-2016-45; Modifications to the Intergovernmental Agreement between the City of Globe and the Arizona Department of Revenue.
(Joseph Jarvis)

Motion: Approve the Modification to the IGA with the Arizona Department of Revenue.,
Action: Approve, **Moved by** Councilwoman Roberta Johnson, **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 #GS-2016-28; Property Lease with Vaden Corporation.

9. **SCHEDULING OF MEETINGS:**

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

Consideration to cancel the August 23rd Regular Council Meeting due to the Annual League of Cities and Towns Conference.

Motion: Approve to cancel Regular Meeting; August 23, 2016 due to the Annual League of Cities and Town Conference., **Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilwoman Roberta Johnson.
Motion passed unanimously.

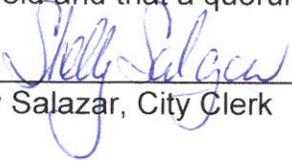
10. **ADJOURNMENT.**

Motion: Adjourn Regular Meeting at 7:20 pm., **Action:** Adjourn, **Moved by** Councilman Lerry Alderman, **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 26th 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