

CITY OF GLOBE

REGULAR MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

January 27, 2015 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: Fire Chief Al Gamos

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.

1. SUMMARY OF CURRENT EVENTS:

A. Council Members

Councilwoman Roberta Johnson was delighted attending the Home Tour in Superior.

Vice Mayor Mariscal commended Councilman Stapleton on his work with Clean and Beautiful.

Councilman Stapleton reminds everyone about the Valentine's Day Ball on February 14th at the Center of the Arts, featuring the Centennial Jazz Band. He also mentions the Sheriffs Sweetheart Dance at the Gila County Fairgrounds. He reminds the public that the Annual Globe Home Tour had to be rescheduled because of the Renaissance Festival. Lastly Councilman Stapleton gives a shout out to the Globe Clean and Beautiful and Councilwoman Johnson for joining their Saturday work day and reports that the Train Depot windows are 80 percent replaced and looks really beautiful.

B. Mayor

No report.

C. City Manager

City Manager Billingsley reads a letter he received from Apache Gold Casino in response to a donation request they received from the City of Globe. The letter reads that they are pleased to contribute the use of their stage for the ATV Jamboree event scheduled for April 30th through May 2nd and that our point of contact will be Mr. Steven Ravenkamp.

A second letter is read from Graham County Sheriff's Office regarding an arson started fire. The letter reads that Fire Marshall Joe Bracamonte was able with the assistance of Officer Canine Evo assisted in the investigation and was successful in solving this crime. On behalf of Graham County Mr. Billingsley thanked Fire Marshall Joe Bracamonte and Evo.

Councilman Haley also wanted to thank the Globe Police Department for the compassionate manner in which they assisted an handicap individual under a stressful situation. Hats off to the two officers involved in that case.

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

- A. Presentation of the East Valley Boys and Girls Club Mayors Member of the month of December, 2014; Izabella Jakubowski and Max Martinez. (Mayor Wheeler)

Councilman Stapleton presents certificates and back packs to the December members of the month, his granddaughter Izabella Jakubowski and Max Martinez.

Amanda Mowery Branch Executive presents the 3rd quarter report to the Mayor and Council. Success programs such as Power Hour, Net Smartz and Healthy Habits are just to name a few are targeted programs that have a pre, post and attendance monitoring. Ms. Mowery told Council that the Globe Branch received a \$15,600 OJP Federal grant that will mentor youth in at least 2 targeted programs. Fourth quarter activities included Fall Break activities and Thanksgiving Dinner. Funds received from Capital One were celebrated and the projects this will provide. Other events included how to fold the American Flag. After School Programs offer arts & crafts and pizza parties earned for doing homework. Coming soon is the Freeport Garden Project and basketball court relocation. United fund will aide in new interior floors and library area. As always the East Valley Boys and Girls Club Globe Branch thanked the Mayor and Council.

- B. Presentation of Proclamation designating 2015 Year of Reading.
(Read on Arizona)

Mayor Wheeler reads the proclamation designating 2015 as the Year of Reading. Unfortunately there is not a representative present to accept the award however, Councilman Haley will take the proclamation to Gila County School Superintendent Dr. Odell's office.

- C. Presentation of Revenue Projections. (Joseph Jarvis)

Finance Director Joseph Jarvis presents Revenue Estimates for fiscal year ending 2015. A six month report on revenue collected is presented to Council along with an estimate versus what was budgeted. HURF and Water revenues are estimated at slightly under budgeted amounts while Sewer revenues are substantially estimated higher than the budgeted amount of \$757,250 due to increase in rates. Tax revenues make up 70% of the General Fund revenue. City Sales Tax, Property Tax and State Revenue Sharing Tax are all estimated higher than what was budgeted while State Sales Tax and Vehicle Tax based on estimates will be lower. Bed Tax collection is line with the budget amount of \$100,000.

City Manager Billingsley explains that the good news based on the projected estimates that the economy is up. He also tells Council the City of Globe Budgets under the Home Rule which means that all of City money is budgeted, but not necessarily spent.

Councilman Haley says comparatively due to the hard work of staff with planning, the City of Globe is in good shape compared to other municipalities.

D. Demonstration of Extrication Tools purchased through the Governor's Office of Highway Safety Grant. (Deputy Chief Gary Robinson)

Deputy Chief Gary Robinson invites firefighters Scott Cameron and Mike Peterson to help with the demonstration of the extrication tools better known as the Jaws of Life that were purchased with the Governor's Office of Highway Safety Grant. The equipment is battery operated tools by a company called First, and because they are battery operated they offer more mobility. Cars are now made with higher strength metals, the sheers that were purchased are capable to cut through most steel, these tools also cut faster. The firefighters cut through a door of a Mercedes Bens quickly and efficiently. Deputy Chief Robinson thanked Chief Truett who authored the grant for the purchase of this equipment.

E. Presentation of update to Well #1. (Brent Billingsley)

Public Works Direction Jerry Barnes and Water/Wastewater Superintendent Kenny Sellick present the update to Well #1. Well #1 was drilled in 1956 and was last serviced more than 8 years ago and has processed over 400 gallons of water per minute. Status of the project is presented with the current Council authorization of \$58,633.73 for repairs. Mr. Barnes reviews the current condition of the Well after removal of existing equipment, drilling and re-video and Contractor's recommendations to finish the project are estimated at a new authorization request of \$143,005.28 with a 30% owner's contingency of \$42,901.58 for a total amount requested of \$185,906.86.

City Manager Billingsley highlights two things; 30% contingency covers problems with the project, timing is crucial with summer water demand fast approaching. Secondly; in terms doing a good, the City has hired a second contractor; Clear Creek and Associates to assist in review of Weber Pump reports and assist in review to insure good recommendations at no cost.

Mayor Wheeler confirms that this expense will be out of our Water Enterprise Funds.

F. Presentation of the ATV Jamboree. (Chris Collopy and Ceci Bernal)

Cecilia "Ceci" Bernal presents the ATV Jamboree presentation at the request of Mayor Wheeler for public interest. Ms. Bernal is happy to present the date of the Jamboree to be April 30 through May 3, 2015. This will be the City of Globe's first Annual ATV Jamboree. With an expectation of around 250 ATVs to participate we are excited to anticipate revenue to our local merchants as wells as tax revenue. Jamboree Events and Sponsors are revisited as well as the Council approved funding of \$5000.00. Ceci reminded Council and the Public that money collected from entry fees will go back into the General Fund.

Councilwoman Johnson asks about the number of registrations received. Ms. Bernal said that registration has just opened and currently have 4 registrations with a lot of inquiries.

Mayor Wheeler asks about the advertising of the Jamboree, Ceci explains that information is available on sponsors websites.

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. Regular Meeting January 13, 2015.
 - C. Consideration of Resolution No. 1720 stating the City of Globe's support for Gila Community College to receive equitable allocation of Workforce Development Funding from Gila County sales tax . (Mayor Wheeler)

RESOLUTION NO. 1720, A RESOLUTION OF SUPPORT FOR GILA COMMUNITY COLLEGE TO RECEIVE EQUITABLE ALLOCATION OF WORKFORCE DEVELOPMENT FUNDING.

Councilman Haley asks that Item 3c be removed from the Consent Calendar.

Motion: Approve Consent Calendar with the exception of item 3C to be removed,

Action: Approve Consent Calendar without item 3C,

Moved by Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton.

Motion passed unanimously.

- 3C. Consideration of Resolution No. 1720 stating the City of Globe's support for Gila Community College to receive equitable allocation of Workforce Development Funding from Gila County sales tax . (Mayor Wheeler)

RESOLUTION NO. 1720, A RESOLUTION OF SUPPORT FOR GILA COMMUNITY COLLEGE TO RECEIVE EQUITABLE ALLOCATION OF WORKFORCE DEVELOPMENT FUNDING.

City Manager Reads Resolution No. 1720 into the meeting Council is satisfied with the reading.

Dr. Steve Cullin, Dean of Gila Community College shared information with the Council and request their lobbying effort with Workforce Development Funding approving the support resolution.

Mayor Wheeler asks the City Manager Billingsley if this is appropriate to politic on behalf of this with State Leaders.

City Manager Billingsley tells Council that they have an opportunity to support as Council, Legislative items and if Council agrees that this can be added to the Legislative Agenda this can be place on that agenda.

Councilman Haley has a concern with official acts of the City and that Council cannot direct city staff to officially lobby this motion.

Moved by Councilwoman Roberta Lee Johnson, **Seconded by** Councilman James Haley.

Motion passed unanimously.

Motion: Approve Resolution No. 1720, **Action:** Approve,

Moved by Councilwoman Roberta Lee Johnson, **Seconded by** Councilman Mike Stapleton.

Motion passed unanimously.

4. **NEW BUSINESS:**

A. Discussion and consideration of Council Liaison Assignments. (Brent Billingsley)

City Manager Billingsley with Council request updates Council Liaison Assignments, which does not require Council Vote.

Changes are as follows at Mayor and Council direction: Councilman Alderman and Mayor Wheeler are removed from the Finance/Budget Committee and Councilwoman Johnson and Vice Mayor Eric Mariscal as alternate are added. Community Groups committee; Councilman Mike Stapleton is the representative and Councilman James Haley is the alternate.

Economic Development Committee; Vice Mayor Mariscal replaces Mayor Wheeler as alternate.

B. Discussion and consideration of appointments of new members to the Library Committee. (Shelly Salazar)

City Clerk Shelly Salazar request Mayor and Council to consider applications from Adrea Ricke, Roberta ("Bobbie") Ravenkamp, Pearl A. Nancarrow, Sherry Rice and Linda Oddonetto as member of the Library Committee.

There were no objections, new members will be appointed at the next Council Meeting.

C. Discussion and consideration of Vehicular Field Training Agreement between the City of Globe Fire Department and Maricopa County Community College District.

(Chief Gary Robinson)

Deputy Chief Gary Robinson introduces a new MOU with Maricopa Community College District for Paramedic Vehicular Training. This MOU has been reviewed by the City Attorney and is now pending a final review with Maricopa College. Deputy Chief Robinson tells Council that the City of Globe will have two students attending Paramedic training through Chandler-Gilbert Community College such is part of the Maricopa Community College District. As part of that training, both students will have to complete approximately 250 hours of field training under experienced Paramedics. Chief Robinson requests the consideration of approval from Council.

Councilman Haley verified that the City Attorney has reviewed this contract.

Mayor Wheeler asks about the number of pre-retirement Paramedics. Chief Robinson tells the Council that currently the City has 9 certified Paramedics; three are eligible to retire within this next year.

City Manager Billingsley thanks the council for their support in training efforts.

D. Discussion and consideration of Emergency Medical Technician Training Program with Central Arizona College. (Chief Al Gameros)

Chief Al Gameros explains that this MOU with Central Arizona College is identical to the MOU that Chief Robinson presented. Legal identified some changes and those changes have been sent to CAC. This is an intense Paramedic Program and Chief Gameros was proud that Globe was picked as a facility that they want to send their students to. This agreement will be brought back at a later meeting.

E. Presentation of Water Effluent Agreement with Inspiration Copper.
(Brent Billingsley)

Mayor Wheeler asked Council to table this item pending a meeting with Freeport McMoran Mining.

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

F. Presentation of claim filed against the City of Globe by Arizona Water Company.
(Brent Billingsley)

City Manager Billingsley states the reason of this presentation tonight is that ever since he has been with the City of Globe there have been outstanding claims against the City of Globe by Arizona Water Co. Every meeting there has been an Executive Session item regarding these claims. At Council direction the City of Globe is notifying the public about these claims. The Council is being bombarded with questions about Arizona Water. Staff has prepared a presentation of facts about the legal issues; background, claims filed against the City, City research and position, Corporation Commission Filing and the City's next steps.

Mr. Billingsley continues with the background of the claims. The City of Globe has been providing water service since the early 1900s. The City provides water service to many areas outside the City Limits of Globe. Arizona Water Company purchased the "Triangle Development Corporation" in 1955, more commonly known as the "Miami System" which is the areas of Central Heights, Claypool, Pioneer Hills, Walmart, Fry's and the Hospital are served by AWC, the City of Globe services everyone from the "Crest of Arlington" to the south and to the east. AWC then filed a CCN expansion proposal into the City of Globe service area in 1961. In 1970 AWC sold land to the City of Globe for the Arlington Tank, the City of Globe and AWC have an interconnection agreement. The Arizona Water Co. is overseen by the Arizona Water Commission and the City of Globe is not.

Mr. Billingsley reports that 2 claims have been filed against the City. The first claim was filed in August of 2012 in the amount of \$1,878,860. In that claim AWC stated that they are willing and able to serve Arlington Heights about 101 connections, this area is now referred to as the disputed area. This claim is for lost revenue. The second claim was filed in June of 2014 in the amount of \$5,806,758 which is lost revenue and they want the City of Globe to actually build the infrastructure for their connection.

Mr. Billingsley continues the presentation with the City's research and position. Mr. Billingsley tells the public that the City of Globe has 2 different attorney's working with these claims and has hired a research company to provide historical research on City system properties. Tierra ROW has provided a sizable report to support the City's position. The City of Globe has been providing service in disputed area since the early 1900's. The CCN was granted to AWC in an area the City was serving, proper notice was not provided, and lack of a Franchise Agreement which the CCN requires. CCN in itself refers to the Central Heights area. Arizona Water Company does not have the infrastructure to service this disputed area. The City is requesting to serve their existing customers that the Arizona Corporation Commission corrects the CCN that was granted in error to AWC.

The City filed an ARS 40-252 with the Arizona Corporation Commission in August of 2014 to amend the decision of the ACC and correct the 1961 decision 33424 and to remove the portion of the CCN that includes City of Globe customers. Arizona Water filed a Motion to Dismiss this filing on January 16th, 2015.

Moving forward the City will be planning public meetings during the intervention period. Pre-trial depositions and information gathering, hearings in front of the Administrative Law Judge and will be awaiting the ACC hearing decision.

Councilman Haley offers his concern regarding the effect these claims could have on our water customers. The City of Globe's water expenditures last year alone were about \$1 million including grant money. The City could not pay the amount of these claims amounting to over \$7 million dollars.

5. **ACTION ITEMS:**

- A. Discussion and consideration to accept bid from Public Safety Strategies Group to complete a Police Department Operational Audit in the amount of \$30,000.
(Joseph Jarvis)

Motion: Motion to Table, **Action:** Table, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilman C.M. Mike Humphrey.
Motion does not pass 4 votes not to table.

Finance Director Joe Jarvis brings this contract to Council for consideration after Council direction to seek an operational audit of the Police Department. The City received two bids and administration reviewed the bids. Based upon administration's review it is recommended that the City Council select Public Safety Strategies Group to complete the audit. They were the lowest qualified bidder.

Finance Director Joseph Jarvis recommends that Council use \$25,000 that is remaining from a \$50,000 budget designation for a salary study and a \$5,000 council contingency transfer to fund this audit.

Mayor Wheeler addresses Councilman Stapleton to his reason to table.
Councilman Stapleton wanted funding information..

Councilwoman Johnson defends the operational audit saying this audit would strengthen our Police Department and strongly suggest to approve this.

Councilman Haley adds that this audit is a useful tool to Police Chief as an administrator.

Motion: To use \$25,000 from Council designated fund previously salary study and \$5,000 from Council undesignated, **Action:** Approve, **Moved by** Councilman Mike Stapleton, **Seconded by** Councilman James Haley.
Motion passed unanimously.

- B. Discussion and consideration of update on the sanitary seal installation to Well #1 and authorization of additional water funding in the amount \$82,785.06 and owner's contingency amount of 30% or \$42,425.21 to complete the project.
(Jerry Barnes and Joseph Jarvis)

Finance Director Joseph Jarvis refers to the Presentation earlier in the meeting presented by Jerry Barnes and Kenny Sellick and request approval.

Motion: Approve an additional \$82,785.06 plus 30% contingency in the amount of \$42,425.21 for a total amount of \$125,210.27, **Action:** Approve,
Moved by Councilwoman Roberta Lee Johnson, **Seconded by** Councilman Lerry Alderman.
Motion passed unanimously.

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.

Motion: Adjourn to Executive Session, **Action:** Adjourn,
Moved by Councilman James Haley, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

Regular Meeting adjourns at 7:50 pm.

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. 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.
 - 2. Potential Property Acquisition of GILA COUNTY APN #205-26-003I for water tank.
 - 3. Legal advice and direction regarding Herrera claim filed against the City of Globe.
 - 4. Obtain legal advice on temporary Certificate of Occupancy regarding 44CFR and the City of Globe Floodplain Ordinance and Administrative Procedures for Floodplain Management and Regulation, LOMR review and FEMA approval.
 - 5. Legal advice pursuant to A.R.S. Section 38-431.03(A)3 on possible litigation regarding alleged theft of City resources and discussion or consultation regarding such litigation pursuant to A.R.S. Section 38-431.03(A)3.
- 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

Regular meeting reconvenes at 8:56 pm

8. 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.

9. SCHEDULING OF MEETINGS:

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

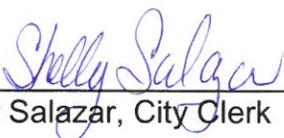
10. ADJOURNMENT.

Motion: Adjourn, **Action:** Adjourn,
Moved by Councilman Lerry Alderman, **Seconded by** Councilman Mike Stapleton.
Motion passed unanimously.

Regular Meeting adjourns at 8:57 pm.

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 27th day of January, 2015. I further certify that the meeting was duly called and held and that a quorum was present.



Shelly Salazar, City Clerk